

Final Report

An Assessment of the Feasibility of Contracting with a Nominee Agency for the Pennsylvania Business Enterprises Program

Prepared for the
Department of Public Welfare
Office of Social Programs
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by the
Mississippi State University
Rehabilitation Research and Training Center
on Blindness and Low Vision





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**An Assessment of the Feasibility of Contracting
With A Nominee Agency for the Pennsylvania
Business Enterprises Program**

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February, 1995

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AN ASSESSMENT OF THE FEASIBILITY OF CONTRACTING WITH A NOMINEE AGENCY FOR THE PENNSYLVANIA BUSINESS ENTERPRISES PROGRAM

INTRODUCTION

The Rehabilitation Research and Training Center (RRTC) on Blindness and Low Vision at Mississippi State University (MSU) was selected by the Pennsylvania Bureau of Blindness and Visual Services (BVS) to conduct a study to "Assess the Feasibility of Contracting with a Nominee Agency for the Business Enterprise Program in the Commonwealth of Pennsylvania." The study was initiated as Business Enterprises Program (BEP) personnel and members of the Elected Committee of Blind Vendors were drawing similar conclusions that there appeared to be numerous problems within BEP that could perhaps be more efficiently managed by a Nominee agency. Among the concerns was the decrease in the number of vending facility locations (1987, a total of 134 locations; 1990, a total of 120 locations; and as of December 31, 1994, there was a total of 96 locations). The study was initiated on March 1, 1994 and completed within the projected 12 month timeframe ending February 28, 1995. The results and recommendations of that study are contained herein.

The Bureau of Blindness and Visual Services (BVS) in the Department of Public Welfare (DPW), Office of Social Programs, serves as the State Licensing Agency (SLA) for administering the Randolph-Sheppard Vending Stand Act of 1936, as amended. The SLA has overall management responsibility for all vending facilities including all cafeterias, dry stands, snack bars, and other types of vending facilities operated by blind facility managers under the auspices of the Business Enterprises Program. A total of 92 facility managers operate 96 facilities throughout the Commonwealth. These locations generate approximately \$13 million in annual gross sales and approximately \$352,000 in non-federal machine-generated income and \$227,000 in federal machine generated income. This study focused on determining the most efficient and effective management

model for administering the BEP in the Commonwealth of Pennsylvania. Two questions were addressed: (1) What consideration should be given to the utilization of a Nominee Agreement allowed under 34 CFR 395.15 and (2) To what extent would a Nominee agency enhance the effectiveness and efficiency of the Pennsylvania BEP. In addressing these questions, this study compared the Pennsylvania SLA to eight other SLAs which administer BEPs for persons who are blind. States involved in the study included four SLAs which utilize Nominee Agreements (Georgia, Virginia, West Virginia and Washington, DC) and four which do not utilize Nominee Agreements (Indiana, Nevada, North Carolina and Tennessee). A concerted effort was made to select the four comparison states so that they matched the four nominee states in terms of population, number of vendors, rural vs urban make-up, type of state plan and/or location in an umbrella agency, etc.

The Randolph-Sheppard Program in Pennsylvania

As indicated earlier, the Bureau of Blindness and Visual Services serves as the SLA for the Commonwealth of Pennsylvania and has responsibility for administering the Randolph-Sheppard Program, which is a component of the Vocational Rehabilitation (VR) program. The BEP is functionally divided into two units - one which administers the Little Randolph-Sheppard (LRS) Act including all "passive" vending (i.e., vending machines on state owned or leased property as well as vending machines on federal property); and another unit which provides oversight and repair services directly to the vendors (i.e., facility managers). Facility managers complete a daily report and submit these weekly to the SLA. Both the BEP Director and the LRS Supervisor report to the Director of Field Operations. Day-to-day management services are provided by nine BEP Agents located in six district offices throughout the Commonwealth. The BEP Agents report to Casework Managers who in turn report to the six District Office Managers. The Little Randolph-Sheppard Supervisor is responsible for overseeing six positions (i.e., two LRS Agents, a Warehouse Superintendent, a Secretary, a

Laborer, and a Refrigeration Mechanic). The Randolph-Sheppard unit contains a BEP Director, a secretarial position, a Construction Supervisor and two Construction Specialists for a total of five positions. The BEP Director has no line or staff authority over the ten BEP Agents. The Construction Supervisor supervises two Construction Specialists who are charged with installing new locations, renovating existing facilities, making some minor repairs and completing other work as assigned. The SLA currently has 27.5 FTEs (full-time equivalents) devoted to Randolph-Sheppard activities. While the Secretaries in each respective unit work for the BEP, they are not actually supervised by BEP staff, but BEP staff have input on their annual performance evaluations. The BEP Director has held her current position for approximately two years (September, 1992 to present), while the Little Randolph-Sheppard Unit Supervisor has served in his position for approximately two years.

Research Questions

Five questions were addressed in the study. A multidimensional approach was utilized to address these questions. A Program Evaluation Survey was drafted and reviewed by two external consultants - Mr. Bob McDonnell, BEP Manager for Mississippi and Ms. Debra Hollis, BEP Director for Alabama. Based on recommendations made by the consultants, changes were made in both survey instruments. The revised instruments were then reviewed by the Pennsylvania SLA, and additional changes were made. The final drafts were submitted to the MSU Institutional Review Board (IRB) for the Protection of Human Subjects for approval. The Program Evaluation Survey form was then submitted to the four SLAs which utilize Nominee Agreements (Georgia, Virginia, Washington, DC, and West Virginia), four comparison SLAs (Indiana, Nevada, North Carolina and Tennessee) and to the Pennsylvania SLA. Upon receiving completed Program Evaluation Survey forms, site visits were made to Atlanta, Washington, DC, Richmond, and Charleston to interview the four BEP Directors and three Nominee Directors (the West Virginia BEP Director also serves as the Nominee Director).

Telephone interviews were also conducted with the BEP Manager in each of the four SLAs that do not use Nominee Agreements. Program Evaluation Survey data submitted by the Nominee group, the SLA group and Pennsylvania were entered into a Quatro Pro spreadsheet for analysis and review. Portions of the data were exported from the spreadsheet to the Statistical Package for the Social Sciences (SPSS) for statistical analysis. A draft report was prepared and submitted to Mr. Bob McDonnell and to Mr. James Turner, BEP Manager for Georgia, for review and comment (Ms. Hollis left her position prior to the end of the project). The following research questions were addressed:

1. *Are there significant differences between selected RSA-15 data elements for SLAs with Nominee Agreements and comparison SLAs of similar make-up and size which do not utilize Nominee Agencies?*
2. *Would the blind vending facility operators of Pennsylvania be better served under a Nominee Agreement compared to the current administrative structure of the program?*
3. *Would there be significant financial savings to the Pennsylvania SLA with regard to adopting a Nominee Agreement to operate the Business Enterprises Program for the Blind?*
4. *To what extent are blind vending facility operators in Pennsylvania satisfied with the current operation of the Business Enterprises Program, and what interest do they exhibit in promoting the adoption of a Nominee Agreement?*
5. *What Nominee agency models are working well and could serve as a model for the Pennsylvania SLA?*

CAVEAT ON STATISTICAL TESTS

The statistical analyses employed in this report deserve special comment. The comparisons on data elements between Nominee and SLA states were intended to be based on a sample size of 12 for each group (4 states x 3 years). Very often data were not available (not reported) in one or more of the four states in each group for all three or fewer years. The result was that many comparisons were based on as few as three data points in each group, and unbalanced (different sample sizes in each group) comparisons were frequent.

The result of this situation was to create a statistical testing situation with low statistical power. Comparisons which attain significance are, of course, quite reliable. The area for caution lies in comparisons where differences appear to be "large" but which do not reach significance. Many of the comparisons would be expected to attain significance if more samples showing similar trends could be obtained. Hence, the tests with small and with unbalanced sample sizes have reduced power in detecting statistically significant differences. In such situations, it is recommended that interpretations be guided by the apparent "practical significance" of differences as judged by experienced professionals who are accustomed to dealing with the measures and indices in the context of program administration.

RESEARCH QUESTION 1

Are there significant differences between selected RSA-15 data elements for SLAs with Nominee Agreements and comparison SLAs of similar make-up and size who do not utilize Nominee Agencies?

Method

An independent *t*-test was used to determine if there were statistically significant differences at the .05 level between selected RSA-15 data elements reported by the four states using Nominee agencies to operate the BEP compared with the matching states with programs wholly-operated by the SLA. In an attempt to achieve a more stable average, RSA-15 data reported in federal fiscal years 1991, 1992, and 1993 were used in the analysis. For purposes of identification in answering research questions, the comparison groups are identified as the SLA group (Indiana, Nevada, North Carolina and Tennessee) and the Nominee group (Georgia, Virginia, Washington, DC, and West Virginia).

Results

There were statistical differences on the following comparisons of averages:

DATA ELEMENTS	SLA	NOMINEE
Federal Facilities Beginning of Fiscal Year	26.33	41.75
Federal Facilities End of Fiscal Year	26.83	42.25
Federal Facilities Beginning of Fiscal Year	22.75	40.67
Vendors on Federal Facilities End of Fiscal Year	22.83	40.75
Public Facilities Established	6.0	1.25
Public Facilities End of Fiscal Year	50.42	26.75
Vendors Entering Public Facilities	7.0	2.67
Expenditures for Retirement/Pension	\$28.1 thousand(t)	\$158.1t
Staff FTEs	12.07	16.67
Highway Vending Receipts	\$722.4t	\$220.6t

There were *no* statistical differences on the following comparisons of averages:

DATA ELEMENTS	SLA	NOMINEE
Gross Sales	\$8.87 million(m)	\$9.61m
Gross Profit	\$3.98m	\$3.83m
Vendor Earnings	\$2.07m	\$1.69m
Federal Facilities Established	1.00	1.75
Federal Facilities Closed	.50	1.25
GSA Facilities	8.00	15.25
U.S. Post Office Facilities	7.50	4.17
Department of Defense Facilities	2.33	8.25
Health and Human Services Facilities	.33	.92
Other Federal Facilities	8.75	13.58
Vendors Leaving Federal Facilities	1.75	2.33
Public Facilities Beginning of Fiscal Year	45.42	27.33
Public Facilities Closed	.67	1.75
Vendors in Public Facilities Begin of Fiscal Year	42.17	24.08
Vendors Leaving Public Facilities	3.33	3.00
Vendors in Public Facilities End of Fiscal Year	46.50	23.83
Private Facilities at Beginning of Fiscal Year	5.08	7.67
Private Facilities Established	.08	.42
Private Facilities Closed	1.08	.92
Private Facilities End of Fiscal Year	4.08	7.17
Vendors in Private Facilities Begin of Fiscal Year	3.75	6.67
Vendors Entering Private Facilities	0.75	0.92
Vendors Leaving Private Facilities	1.50	1.00
Vendors in Private Facilities End of Fiscal Year	2.92	6.58
Expenditures to Establish New Facilities	\$208.2t	\$154.3t
Expenditures for Equipment Maintenance	\$ 89.8t	\$136.1t
Expenditures for Equipment Replacement	\$163.0t	\$ 89.1t
Expenditures for New Equipment	\$280.1t	\$149.8t

Expenditures to Refurbish Facilities	\$292.1t	\$50.5t
Expenditures for Management Services	\$577.3t	\$548.2t
Fair Minimum Return	\$ 6.2t	\$ 13.1t
Expenditures for Health Insurance	\$226.4t	\$117.8t
Expenditures for Sick and Vacation Leave	\$ 16.8t	\$ 2.2t
Expenditures for Initial Stock and Supplies	\$ 11.9t	\$ 14.4t
Expenditures for All Other Expenditures	\$ 15.2t	\$ 21.5t
Total Expenditures	\$ 1.7m	\$ 1.3m
Vending Machine Funds Collected	\$322.5t	\$569.8t
Sites Surveyed	12.25	17.75
Sites Accepted	5.67	6.92
Vendors Trained	9.67	6.58
Vendors Licensed/Placed	7.75	4.00
Vendors Waiting Placement	3.50	1.58
Vendors Placed as Employees	.67	.75
Vendors Placed in Allied Food Service	.92	0.0
Vendors Provided In-Service Training	15.08	41.17
Vendors Provided Upward Mobility	19.0	8.25
Interstate Highway Vending Locations	20.17	13.0
Vendor Operated Highway Vending Locations	9.58	0.0

Discussion

The results of the independent *t*-tests show that the Nominee group had significantly more facilities and vendors on federal locations than the SLA group. This difference can be explained in part by the location of two of the Nominees (Washington, D.C. and Virginia) in a region with a large number of federal agencies. Only one state, West Virginia, did not have a majority of federal facilities. This difference is expected to continue, given that the Nominee group averaged 1.75 established federal facilities per year, while the SLA group averaged 1.0 new federal facilities.

Although there was not a significant difference between the average number of public facilities at the beginning of the fiscal year for the Nominee and SLA groups, testing showed significant differences between the groups in (1) average number of public facilities established, (2) average number of public facilities at the end of fiscal year, and (3) average number of vendors entering public facilities. These findings indicate that the number of facilities in the public sector are increasing at a significantly faster rate in the SLA group than in the Nominee group. This increased attention to the public sector by the SLA group may be partly due to the number of potential federal sites in those states and/or the passage of Little Randolph-Sheppard Acts.

The average number of staff FTEs was significantly higher for the Nominee group than the SLA group. Nominee staff interviewed in this study have indicated that hiring of new and replacement staff is accomplished in a more timely manner than could be accomplished under state personnel regulations. This decreased dependence upon the state bureaucracy may account, to some degree, to differences in number of staff full-time equivalent positions.

The SLA group averaged significantly higher highway vending machine receipts than the Nominee group under the Interstate Highway Program. Three states in the SLA group (Tennessee, North Carolina, and Indiana) and three states in the Nominee group (Georgia, West Virginia, and Virginia) reported receipts at locations under the Interstate Highway Program.

RESEARCH QUESTION 2

Would the blind vending facility operators of Pennsylvania be better served under a Nominee Agreement compared to the current administrative structure of the program?

Method

Project staff collected and analyzed data from a variety of sources to address this question. First, a survey instrument designed to collect financial data and to assess issues/concerns was developed, and information was collected from states in the SLA group, states in the Nominee group, and the Commonwealth of Pennsylvania. In this and all statistical tests, the independent *t*-test was used to determine if there were statistically significant differences at the .05 level between the SLA and Nominee group. Group means were used to show comparisons among the SLA group, Nominee group, and Pennsylvania.

Selected RSA-15 data elements reported for federal fiscal years 1991, 1992, and 1993 were used to determine statistically significant differences between the SLA group and the Nominee group. In addition, the Randolph-Sheppard Vending Facility Program Annual Reports for federal fiscal years 1991, 1992, and 1993 were used to compare national means with the SLA, Nominee, and Pennsylvania group means. Also analyzed were quantifiable data reported in the survey instrument completed by the SLA group, Nominee group, and Pennsylvania and in interviews with staff and members of the Elected Committee of Blind Vendors in states with Nominee Agreements.

Results

There were statistical differences on the following comparisons of averages:

DATA ELEMENTS	SLA	NOMINEE
Number of Days to Purchase Equipment	29.98	6.33
Number of Days to Repair Equipment	2.89	1.50
Number of Days to Replace Equipment	35.08	4.67

Number of Internal Complaints	7.50	1.75
Percentage States Develop Short-Term Objectives	25%	100%

There were *no* statistical differences on the following comparisons of averages:

DATA ELEMENTS	SLA	NOMINEE
Number of Days to Open a Cafeteria	145.5	134.0
Number of Days to Open a Vending Facility	60.0	56.2
Number of Days to Open Other Facilities	120.2	81.0
Number of Days to Complete Last Renovation	77.5	71.8
Satisfaction with Skills of First-Time Vendors	4.0	4.25
Satisfaction with Skills of Experienced Vendors	4.25	4.00
Expenditures for Salaries	\$283,282	\$381,004

Backlog of Referrals to Program, Vendors Awaiting Placement, Expectation to Recover Start-up Expenses, Overall Facility Renovation Plan, Written Operation Manual, and Long-Term Objectives were also tested and were not found to be statistically significant.

TABLE 1**Three-year averages**

	National Average	Pennsylvania	SLA Average	Nominee Average
Gross Sales	\$7,577,359	\$14,188,931	\$8,867,282	\$9,605,352
Facility Average Gross Sales	\$115,328	\$130,569	\$109,028	\$126,104
Gross Profit	\$3,222,387	\$5,742,708	\$3,978,106	\$3,831,978
Percent of Gross Sales to Vendor Earnings	20.3%	14.13%	21.97%	17.10%
Percent of Gross Profit to Vendor	\$47.90%	34.90%	49.71%	42.62%
Number of Vendors	68.54	100.0	72.25	71.17
Number of Facilities	65.82	108.67	81.33	76.17
Vendor Earnings	\$1,543,541	\$2,004,283	\$2,071,728	\$1,694,922
Program Expenditures	\$1,171,516	\$1,964,855	\$1,708,056	\$1,336,860
Expenditure per Vendor	\$17,093	\$19,649	\$23,641	\$18,784
Expenditure per Facility	\$17,800	\$18,081	\$21,001	\$17,551
New Equipment Purchase	\$218,921	\$213,281	\$280,094	\$149,756
Equipment Maintenance	\$103,679	\$105,697	\$89,761	\$136,101
Equipment Replacement	\$154,433	\$17,865	\$163,016	\$89,129
Refurbish Facilities	\$86,909	\$131,031	\$292,100	\$50,545
Establish New Facilities	\$140,616	\$47,628	\$208,195	\$154,255
Vendors Licensed/Placed	3.84	4.33	7.75	4.00
Number Provided In-service	32.56	0.00	15.08	41.16
Number Provided Upward Mobility	11.90	0.00	19.00	8.25
Total Sites Surveyed	18.67	27.00	12.25	17.75
Total Sites Accepted	6.68	0.67	5.67	6.92
Total Agency Person Years	10.46	29.67	12.07	16.67

	National Average	Pennsylvania	SLA Average	Nominee Average
Average Vendor Earnings	\$24,982	\$20,043*	\$27,286***	\$23,965*

**Using RSAs National Randolph-Sheppard Annual Report for the three-year period, the average for Pennsylvania was \$18,218. Because of significant irregularities in vendor person years reported on the RSA-15 for the nine states and at the request of the Contractor, average earnings were computed using the number of vendors reported at the end of each respective fiscal year.*

***Excludes Nevada*

Discussion

Purchase, replace, and repair. The results of the independent *t*-tests show there were significant differences in the average time needed by the Nominee group to purchase, repair, and replace equipment as compared to time needed by the SLA group (see Table 1). Pennsylvania facility managers could expect these same significant savings of time if purchases and repairs were managed or coordinated through a Nominee agency.

Complaints. Although there were no significant differences between the Nominee and SLA groups in the number of formal complaints filed within the last five years with RSA, there was a significant difference in the number of complaints handled internally. The Nominee group handled an average of 1.75 internal complaints, while the SLA group handled an average of 7.5 internal complaints. Pennsylvania reported zero complaints filed with RSA and seven complaints handled internally, placing them below the average of the SLA and Nominee groups in complaints to RSA and close to the average of the SLA group in complaints handled internally.

Objectives/goals. While all four states in the Nominee group have established a formal process in establishing short-term program objectives, only one state in the SLA group has established a formal process. Pennsylvania did not report having a formal process of goal setting. As reported in responses

contained in the Program Evaluation Survey by the Nominee group, vendors were able to provide input in goal formation through their Elected Committee of Blind Vendors.

Opening facilities. Although there were no significant differences in average number of days required by the SLA group and the Nominee group to open the different types of facilities, the number of days needed by the Nominee group was less in all three facility categories. The greatest difference across all categories of facilities was the number of days needed to open a facility in the "other" category, with the SLA group averaging 120 work days and the Nominee group averaging 81 work days. In Pennsylvania, the average time needed to open "cafeteria" and "other" facilities was reported as 24 months, suggesting that Pennsylvania facility managers would have fared better in the environments of the other two groups.

Earnings and profits. Comparisons of average vendor earnings and profit percentages are important indices in determining if facility managers in Pennsylvania would be better served under a Nominee Agreement. Analysis of data from federal fiscal years 1991, 1992, and 1993 RSA-15 reports and National Randolph-Sheppard Reports showed average national vendor earnings was \$24,982, average Pennsylvania vendor earnings was \$20,043, average SLA group vendor earnings was \$31,475 (including Nevada), and average Nominee group vendor earnings was \$23,965. Exclusion of Nevada from data analysis resulted in average SLA group vendor earnings of \$27,286. (National data showed Nevada's average vendor earnings as \$44,040, one of the highest in the nation.) Although testing showed no significant differences between the SLA group (both with and without Nevada) and Nominee group vendor incomes, it should be noted that vendors in the SLA group earned more than vendors in Pennsylvania, more than vendors in the Nominee group, and more than the national average. Pennsylvania facility managers averaged less income than all other groups.

When compared to all groups, Pennsylvania vendors took home the smallest percent of gross sales, 14.13%. Nationally, vendor earnings averaged 20.3%, the

SLA group averaged 21.97%, and the Nominee group averaged 17.1% of gross sales. Data analysis showed that percentage of gross sales to vendor earnings was significantly higher for the SLA group when compared to the percentage for the Nominee group. A significant difference between the SLA group and Nominee group was not found in analysis of gross profit data. Pennsylvania vendors did not fair as well, averaging 34.9% of gross profit, considerably less than the national average of 47.9% and less than averages of the Nominee group (42.6%) and the SLA group (49.7%).

Facility maintenance and related expenditures. Testing showed no significant differences in expenditures for equipment maintenance, equipment replacement, new equipment, refurbishment of facilities, establishment of new facilities, and total program expenditures for the SLA group and the Nominee group. National, Pennsylvania, SLA group, and Nominee group comparisons listed in Table 1 show Pennsylvania expended considerably less than the other three groups for equipment replacement and establishment of new facilities. Average expenditures per facility was highest in the SLA group, \$21,001 and lowest in the Nominee group, \$17,551.

Sites and vendors. There were no significant differences between the SLA group and the Nominee group in the number of sites surveyed, sites accepted, vendors licensed/placed, vendors provided in-service training, and vendors provided upward mobility training. When compared with all groups, Pennsylvania reported fewer sites accepted (.67), no vendors receiving in-service training, and no vendors receiving upward mobility training (see Table 1).

Summary of data from state and national reports/instruments/interviews. Several of the variables examined in response to this question showed no statistical significance. However, a number of provocative differences were observed. When compared to the SLA group, the Nominee group responded significantly faster in the number of days required to purchase, repair, and replace equipment and reported significantly fewer internal complaints in the last five years. The SLA group realized a significantly higher percentage of gross sales to

vendor earnings. When compared with National, Nominee group, and SLA group, Pennsylvania averages were lowest on key variables, such as percentage of gross sales to vendor, percentage of gross profit to vendor, average vendor earnings, new facility expenditures, equipment replacement expenditures, and sites accepted.

A review of comments by the Chairs of the Elected Committee of Blind Vendors in the Nominee group (see Appendix C) indicated overall satisfaction with the Nominee agency. Although each Chair suggested areas for improvement and/or change, all indicated that they were well served by the Nominee agency and expressed a desire to continue with Nominee management.

"Facility density" serving vendors through opportunity and choice. Data from the National Center for Health Statistics on persons who were of working age (18-64 years of age) and severely visually impaired were matched with number of facilities in each state. A ratio was formed to provide another, more sociological metric that might provide information relevant to the issue of better serving vendors. The number of facilities per 1,000 persons who are severely visually impaired (shown in Appendix D, Figure 7) suggests a low "facility density" for Pennsylvania. Such a situation could be viewed as representing a less than optimal environment for opportunity for new vendors entering the BEP and for choice of facilities for new and established vendors.

Figure 7 represents the number of facilities for each state per 1,000 severely visually impaired persons. Severe visual impairment is defined by the National Center for Health Statistics in its Health Interview Survey as the "self-or proxy-reported inability to see to read ordinary newspaper print even when wearing glasses or contact lenses." In developing this chart, estimated rates of severe visual impairment and 1990 population totals for noninstitutionalized persons, aged 18-64 were used, as reported by Nelson and Dimitrova (1993) in the March issue of the *Journal of Visual Impairment and Blindness*.

RESEARCH QUESTION 3

Would there be significant financial savings to the Pennsylvania SLA with regard to adopting a Nominee Agreement to operate the Business Enterprise Program for the Blind?

Method

A variety of data were collected, reviewed, and analyzed in addressing this question. Included were data from the RSA-15 and the Randolph-Sheppard Vending Facility Program Annual Reports for federal fiscal years 1991, 1992, and 1993, Pennsylvania SLA rules and regulations, plus information reported in survey and consumer instruments and in telephone and personal interviews.

Results

Selected data elements were used to determine statistically significant differences between the SLA group and the Nominee group. These data elements are listed under Research Question 1 indicating significance or lack of significance and will be referred to in the discussion section. In addition, Tables 1, 2 and 3 show comparison of averages and other data that will be examined in the discussion section.

Although the Program Evaluation Survey Instrument included questions requesting financial data reflecting revenues, expenses, etc., several states did not report information. These missing data resulted in some questions being excluded from the analysis.

TABLE 2**Staff educational requirements and pay range*****NOMINEE GROUP**

Virginia	(Agency 1.9 FTEs)	(Nominee 19 FTEs)
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<u>Position</u>	<u>Education</u>	<u>Pay Range</u>
Counselor	Nom/HS	21,932 - 33,486
	Agency n/a	
Administrator	Nom/BA	31,322 - 47,823
	Agency/MA	31,322 - 47,823
Accountant	Nom/BA	28,652 - 43,747
	Agency n/a	
Bookkeeper	Nom/HS	15,357 - 23,447
	Agency n/a	
Secr/Clerical	Nom/HS	16,788 - 25,632
	Agency n/a	
Trainer	Nom/HS	23,975 - 36,607
	Agency n/a	
Construct./Design	Nom/HS	28,652 - 43,747
	Agency n/a	
Operations Mgr	Nom/Some College	28,652 - 43,747
	Agency n/a	
Food Serv.(Training)	Nom/HS	12,859 - 19,620
	Agency n/a	
Relief Operator	Nom/HS	10,753 - 16,418
	Agency n/a	

West Virginia	(Agency 6.0 FTEs)	(Nominee 4 FTEs)
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<u>Position</u>	<u>Education</u>	<u>Pay Range</u>
Counselor	Agency/Experience	18,400 - 30,000
	Nom/Experience	16,000 - 22,000
Administrator	Agency/BA	18,400 - 30,000
	Nominee/BA	16,000 - 22,000
Acct/Bookkeeper	Agency/BA	24,000 - 39,000
	Nominee/BA	18,000 - 25,000
Secr/Clerical	Agency/Vo-Tech	11,000 - 18,700
	Nominee/Vo-Tech	11,000 - 17,000
Tech/Repairman	Agency/HS	13,100 - 21,400

Tech Supervisor	Nominee/HS	10,500 - 20,000
	Agency/HS	16,100 - 26,200
	Nominee/HS	16,000 - 24,000

Georgia	(Agency 13 FTEs)	(Nominee 4 FTEs)
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<u>Position</u>	<u>Education</u>	<u>Pay Range</u>
Counselor	Agency/BA MA	22,260 - 43,704
	Nom n/a	
Administrator	Agency/MA	31,002 - 61,404
	Nom/BA	31,000 - 54,000
Secr/Clerical	Agency/HS	16,500 - 27,438
	Nom/HS/Vtech	18,000 - 30,000
Trainer	Nom/AA	25,000 - 40,000
	Agency n/a	
Acct/Bookkeeper	Nom/HS	20,000 - 35,000
	Agency n/a	
Section Supervisor	Agency n/a	
	Nom/AA	25,000 - 40,000

Washington, D. C.	(Agency 5 FTEs)	(Nominee 11 FTEs)
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<u>Position</u>	<u>Education</u>	<u>Pay Range</u>
Counselor	Agency/MA	35,000 - 40,000
	Nom/HS	25,000 - 30,000
Administrator	Agency/MA	50,000
	Nom/MA/CPA	50,000
Acct/Bookkeeper	Agency n/a	
	Nominee/BS	25,000 - 38,000
Secr/Clerical	Agency/HS	18,000
	Nominee/HS	18,000
Trainer	Agency/MA	42,000 - 45,000
	Nom n/a	
Const/Design	Agency n/a	
	Nom/HS	27,000
Driver	Agency n/a	
	Nom/HS	19,000

SLA GROUP

Nevada (4.5 FTEs)

<u>Position</u>	<u>Education</u>	<u>Pay Range</u>
Counselor	BA	28,200 - 37,200
Administrator	BA	32,700 - 44,500
Secr/Clerical	High School	19,200 - 25,400
		20,700 - 27,600

Tennessee (20 FTEs)

<u>Position</u>	<u>Education</u>	<u>Pay Range</u>
Counselor	BA	
Administrator	BA	
Acct/Bookkeeper	High School	
Secr/Clerical	High School	
Trainer	BA	
Marketing Specialist	BA	

North Carolina (12 FTEs)

<u>Position</u>	<u>Education</u>	<u>Pay Range</u>
Counselor	Some College	21,708 - 35,226
Administrator	BA	30,426 - 50,675
Acct/Bookkeeper	BA	26,827 - 44,229
Secr/Clerical	Vo-Tech	17,091 - 27,176
Trainer	BA	24,611 - 40,376

Indiana (8 FTEs)

<u>Position</u>	<u>Education</u>	<u>Pay Range</u>
Counselor	HS/Food Serv.	22,256 - 30,000
Administrator	BA	25,168 - 33,500
Secr/Clerical	High School	13,390 - 19,900
		14,795 - 21,900

Pennsylvania (27.5 FTEs)

<u>Position</u>	<u>Education</u>	<u>Pay Range</u>
Counselor	BA + 15 bus. credits or 2 yrs. exp. +15	24,822 - 37,751

Administrator	BA + 5 yrs.	32,352 - 49,174
Acct I	BA w/15 acct. credits	24,822 - 37,751
Fiscal Asst.	HS w/2 yrs. exp. or Associate Degree	19,051 - 28,968
Clerk/Typist	High School	17,854 - 26,250
Ref. Mech.	3 yrs exp. in refrig. equip. maintenance	19,051 - 28,968
Const. Spec. 1	3 yrs. exp.	21,751 - 33,076
Const. Spec.2	4 yrs. exp.	24,822 - 37,751
Warehouse Supt.	3 yrs. exp.	24,822 - 37,751
Warehouse Laborer	Physical Strength & Understanding Instr.	15,511 - 23,120

** Data Source - Program Evaluation Survey Instrument*

TABLE 3**Services provided by the Nominee agency***

	D.C.	West VA	VA	GA
BE Counselor	X	X	X	
Bookkeeping/ Accounting	X	X	X	X
Initial Training	X	X	X	
Site Selection	X	X		
Inventory	X	X	X	
Facility Design/Renov.	X	X	X	
Facility Maintenance	X	X	X	
Equipment Repair/Replmt.	X	X	X	X
Purchasing	X	X	X	X
Interstate Hwy. Program		X	X	X

* *Data Source - Program Evaluation Survey Instrument*

Discussion

Equipment/facilities. In determining if Pennsylvania could realize significant financial savings by contracting with a Nominee, the independent *t*-test was used to examine differences in expenditures between the Nominee group and the SLA group. Although not significantly different, the Nominee group spent less than the SLA group on new equipment, replacement of equipment, and refurbishment of facilities. The Nominee group spent more than the SLA group on maintenance of equipment and management services.

Agency personnel. There was a statistical difference in expenditures for retirement programs, with the Nominee group averaging \$158,149 and the SLA group averaging \$28,083. Currently, two states in the Nominee group (Virginia and Washington, D. C.) have a retirement program, with Georgia in the development process. In the SLA group, Tennessee and Indiana currently have a retirement program.

A major program expense and the largest expenditure reported under management services was staff salaries. A review of job positions in states with Nominee agencies showed similar job titles in both the Nominee and state agency. For example, the Washington, D. C. and West Virginia programs have counselors who are employed by the SLA and counselors who are employed by the Nominee. Table 2 lists the position title, educational/experience requirements, and pay ranges for staff in each of the states in the Nominee group and shows that a staff position within the Nominee may require less education and consequently pay lower than the same staff position within the state agency in the same state. Unless directed otherwise by the state agency, a Nominee agency may elect to hire staff with less qualifications and at lower salaries than their agency counterparts. Although a review of Table 2 would seem to indicate that Nominee agencies have adopted this hiring practice, testing showed no statistical difference in average staff salaries expended by the Nominee group and the SLA group. The Nominee group had an average of 16.7 staff, including both agency and Nominee employees,

with average expenditures of \$381,004 for salaries. The SLA group averaged 12.07 employees and \$283,282 for salaries. The number of employees was taken from RSA-15 data; salary averages were reported on Program Evaluation Survey forms.

Vendor/facility. A review of Table 1 shows that the Nominee group expended less per vendor and facility than the SLA group. The Nominee averaged \$18,784 per vendor, the SLA group averaged \$23,641, and Pennsylvania averaged \$19,649. The averages of the two groups reveal that the Nominee group expended more for maintenance of equipment (\$136,101) than the SLA group (\$89,761). The SLA group, on the other hand, replaced more equipment (\$163,016) than the Nominee group (\$89,129). Although these averages reflect financial savings, to a large extent, expenditures for establishment of new facilities, purchase of new equipment, refurbishment of facilities, etc., is a measure of the overall health of the vending facility program. During this same time period, states in the SLA group realized an average increase of 14.75 facilities (from 285 to 344), while states in the Nominee group realized an average decrease of 4.25 facilities (from 311 to 294); Pennsylvania experienced a decrease of 17 facilities (from 120 to 103) during this timeframe. However, there was a slight increase in average vendor earnings.

Considerations. Careful consideration should be given to reductions in expenditures and the resulting effect on existing and potential new facility operators. Examination of Pennsylvania financial data indicated that cumbersome state purchasing and procurement policies and procedures appear to be affecting program maintenance and the growth potential of the program. The use of a Nominee would allow the SLA to purchase certain brands of equipment which could facilitate the standardization of service and quality of equipment.

If Pennsylvania contracted with a Nominee agency for equipment repair, maintenance, and purchase, significant savings could be realized by the elimination of expenses connected to warehousing equipment. A Nominee agency would more likely adopt a "just in time" approach to inventory and could realize

financial savings by purchasing equipment in response to market cycles. A Nominee could also take advantage of purchasing equipment at "trade shows" conferences, etc., often resulting in significant savings. This could also reduce potential equipment deterioration incurred from being in storage for an extended period of time as well as reducing the potential for equipment theft and lapse of warranty coverage for equipment.

Another major financial consideration in contracting with a Nominee agency is the potential for increased income realized from interest and other investment accounts. For example, a Nominee could collect and maintain set-aside and vending monies realizing income that could be used for vendor fringe benefits, program growth, or maintenance.

RESEARCH QUESTION 4

To what extent are blind vending facility operators in Pennsylvania satisfied with the current operation of the Business Enterprise Program and what interest do they exhibit in promoting the adoption of a Nominee Agreement?

Method

In order to assess this issue, a BEP Vending Facility Operators Satisfaction Survey (see Appendix B) was constructed and correspondence was forwarded to every facility manager in the Commonwealth to determine their interest in participating in the Vendor Satisfaction Survey. Forms were received from 51 managers who volunteered to be interviewed by telephone. A total of 47 managers were actually interviewed (three chose not to be interviewed because they were opening new snack bars or were retiring; one could not be reached after multiple attempts). These data were entered into an SPSS data file for analysis. Rounding of numbers may have caused some percentages to exceed 100%.

Results

Demographic Characteristics

As a group, the majority of facility managers who volunteered to participate in the survey were male (83%), white (87%), about 49 years of age, married (64%), and had a high school education or higher (91%). Five (10.6%) of the respondents had a college education or more (i.e., 16 to 18 years of education). The educational range was 8 to 18 years.

Age at Onset of Blindness and Visual Characteristics

Over half (53%) of the facility managers reported that they were blind at birth (by age three or less), with the remainder (47%) being adventitiously blind (i.e., became blind between age 6 and 45). Of those who responded, over three-fourths (83%) became blind by the time they were 19 years of age. The remainder (17%) became blind between the age of 23 and 45. Over half of the facility

managers (53%) indicated they had no remaining functional/usable vision. A majority (58%) did not know their Snellen visual acuity (with best correction). Just over half (53%) indicated they could not read print with or without magnification devices.

Type of Vending Facilities Operated

Over two-thirds (70%) of those facility managers surveyed indicated they operated a snack bar. A total of eight (17%) reported they operated cafeterias while six (13%) reported they operated other types of facilities such as a dry stand. (Note: The Pennsylvania RSA-15 Form for FY 1993 reported three cafeterias as defined by the Rehabilitation Services Administration). Many of the facility managers (17%) indicated they had never changed facility locations while in the BEP. The largest proportion (60%), however, had changed locations four to nine times. The vast majority (83%) (39) of the facility managers used adaptive equipment to operate their facility. Most used talking cash registers, money identifiers and hand-held magnifiers. Others used braille writers, talking calculators, closed circuit televisions (CCTV), talking clocks, etc. Only eight facility managers (17%) did not use any adaptive equipment to operate their facility.

Years of Service

The average length of service for those facility managers surveyed was 18.6 years. The number of years of service was equally distributed with approximately one-third (16) having 1-12 years of service, 17 with 13-25 years of service, and the remainder (14) having 26-39 years of service. The overwhelming majority (83%) indicated they would recommend the BEP to a friend who is legally blind.

Preferred Reading Medium

Only a few (2%) of the facility managers preferred regular print. The largest proportion (40%) preferred cassette tape, while approximately one-third

(32%) preferred large print. Only 19% (nine) preferred braille. Almost half (43%) of the respondents indicated that they did not read braille at all. Almost one-fifth (19%) of the group indicated that they read Grade I braille, while well over one-third (38%) read Grade II braille (18). In response to the question *Is correspondence from BVS/BEP routinely made available in preferred reading media?*, the responses were almost evenly divided among the facility managers. For example, 23% (11) responded that correspondence is never made available in preferred reading media, while 17% (eight) responded that it is seldom made available in preferred reading media. A total of 21% (ten) responded sometimes, while well over one-third (38%) (18) indicated correspondence is always made available in preferred reading media.

PERCEPTIONS OF THE SLA

A copy of the interview protocol and the BEP Vendor Satisfaction Survey is contained in Appendix B. In an effort to balance any bias due to rating alternative label order, the interviewers reversed or alternated the order of alternatives between interviews. Rounding of percentages may cause numbers to exceed 100% in some cases.

Overall Services

To what extent are you satisfied with the overall services provided by the Bureau of Blindness and Visual Services?

	No.	%
Very Dissatisfied	5	11
Dissatisfied	15	32
Neutral	8	17
Satisfied	17	36
Very Satisfied	2	4

Accounting Services

To what extent are you satisfied with the accounting services provided by BVS?

	No.	%
Very Dissatisfied	2	4
Dissatisfied	7	15
Neutral	8	17
Satisfied	27	57
Very Satisfied	3	6

Instructional Conferences - Number

Are you satisfied with the number of instructional conferences or training opportunities (i.e., annual convention) for blind vendors which are offered by BVS/BEP?

	No.	%
Very Dissatisfied	5	11
Dissatisfied	15	32
Neutral	5	11
Satisfied	20	43
Very Satisfied	2	4

Instructional Conferences - Quality

Are you satisfied with the quality of instructional conferences or training opportunities for blind vendors which are offered by BVS/BEP?

	No.	%
Very Dissatisfied	11	23
Dissatisfied	19	40
Neutral	9	19
Satisfied	7	15
Very Satisfied	1	2

Services Provided by BEP Agent

Are you satisfied with the services provided by your BEP Agent?

	No.	%
Very Dissatisfied	2	4
Dissatisfied	3	6
Neutral	6	13
Satisfied	21	45
Very Satisfied	15	32

Does "years of service" affect satisfaction? In an effort to determine whether satisfaction ratings varied by years of service in the program, three groups were formed based on one to nine years of service (Group 1), 10-24 years of service (Group 2) and 25 or more years of service (Group 3). All items dealing with satisfaction were tested for differences due to years of service. There were no significant differences on any of the items except Item 19. In general, the satisfaction rating decreased as years of service increased. The Group 1 mean for

Item 19 (number of instructional conferences or training opportunities) was 3.6; the Group 2 mean was 3.2; and the Group 3 mean was 2.4.

Willingness to Listen

Do you feel that your BEP Agent takes time to listen to your needs?

	No.	%
Never	0	0
Seldom	2	4
Sometimes	12	26
Always	33	70

Courtesy and Respect

Do you feel that you are treated with courtesy and respect by your BEP Agent?

Yes 45 - 96% No 2 - 4%

Do you feel that you are treated with courtesy and respect by the other BEP staff?

Yes 33 - 72% No 13 - 28%

Facility Visits

Do BVS staff visit your facility at least once each month?

Yes 39 - 83% No 8 - 17%

Return Telephone Calls

Do BVS/BEP staff return your telephone calls in a timely manner?

	No.	%
Never	0	0
Seldom	2	4
Sometimes	11	23
Always	34	72

Nominee Agency

Do you feel that a Nominee Agency could better meet your needs as a licensed blind vendor than they are currently being met by the BVS/BEP staff?

	No.	%
No, definitely not	4	9
Probably not	5	11
Don't know	20	43
Probably	12	26
Yes, definitely	6	13

In your opinion, would the BEP be better served by a Nominee agency?

	No.	%
No, definitely not	4	9
Probably not	4	9
Don't know	18	38
Probably	14	30
Yes, definitely agree	7	15

Two questions were posed to the facility managers regarding their feelings concerning a Nominee agency. In response to the question *Do you feel that a Nominee agency could better meet your needs as a licensed blind vendor than they are currently being met by the BVS/BEP staff?*, the largest proportion (43%) stated they didn't know. Some 20% indicated a Nominee agency probably would not (11%) or definitely would not (9%) better meet their needs than they are currently being met. That question was imbedded in the middle part of the survey (No. 27), while the second question pertaining to the Nominee agency (No. 43) was placed near the end of the survey. In question 43, each facility manager was asked *In your opinion, would the BEP be better served by a Nominee agency?*, the responses changed somewhat. In this case, the majority (45%) of the facility managers stated that the BEP would probably (30%) be better served by a Nominee agency,

while a total of 15% (seven) indicated they definitely agreed that the BEP would be better served by a Nominee agency. A total of 18 (38%) said they didn't know, while eight facility managers (18%) said No or Probably Not. Comments made in response to question 43 included the following:

BVS not consumer- or business-oriented.

BVS doesn't believe in product - blind client/consumer; no real motivation to promote vending program; by make-up of staff, all sighted.

It might get rid of the long bureaucratic process necessary to get equipment.

If (you) can keep politicians out of it, you'd be all right.

It might get us around the bureaucracy.

Get rid of bureaucracy; move quicker and more business-oriented people would help vendor more.

It would add just another step in the process.

Don't know how it would be structured.

Does not know that much about it.

New sites are needed and the slow procedures we have for getting equipment couldn't get any slower.

If it would improve purchasing and repairs and get out from under welfare system where the bureaucracy is too deep.

Mainly, a Nominee could help with new opportunities.

Would be 100% behind it if it really provided services needed in a more timely way; vendors should be informed about what might happen.

Don't know too much about it.

Program is dying.

Probably would speed up repairs and getting new equipment; maybe we could get more food service professionals that can see what food service

operators do.

I'm not sure how it would work; we definitely need improvement of services such as equipment repair; replacing equipment.

My situation is such that I don't depend on BVS/BEP for maintenance; the federal government owns the equipment with facility.

Depends on whether it would cut down bureaucracy that slows down everything now.

Don't know enough to make a good judgement.

It might help untangle some of the red tape we have to go through to get things done; a business cannot be run efficiently through a bureaucracy.

More accountability to vendors by more state employees; more timely repair and replacement services needed.

Not a good idea; BVS should be handled by BVS.

Depends on staff employees used for counselors.

It is just a bureaucracy; have all tools, just need to use them; need better central office staff.

Would cut down on bureaucracy and streamline things; easier to get equipment.

The program is dying out; we're losing people and locations, and none are being established.

A Nominee agency would allow more operator input.

Be 100% behind it if it could provide services; recommend meeting for whether or not need Nominee agency.

A Nominee would focus more on themselves than on the vendors.

Not sure.

Being under public welfare is a hinderance to upgrading the program.

Doesn't know much about them.

A new agency - when you change - creates problems.

Not in favor of full Nominee agency.

Pennsylvania could do it better if they would.

I don't plan to work buns off for anybody but me.

The bureaucracy gets in the way; no one seems to want to help; the program is for the visually impaired, but those in charge don't seem to realize who they are servicing.

If better services/training could be provided, I would want Nominee agency.

Upward Mobility

The facility managers were almost equally divided in their feelings regarding opportunities for upward mobility within the BEP as a whole. A total of 49% (23) felt there was no opportunity for upward mobility within the program, while 51% (24) indicated there were adequate opportunities for upward mobility within the BEP as a whole.

Repairs

How quickly are repairs made to equipment when breakdowns occur?

	No.	%
Very long wait	5	11
Long wait	16	34
Promptly	22	47
Very promptly	4	9

The facility managers were also equally divided on their perceptions regarding the timeliness of repairs being made to equipment when breakdowns occur. A total of 45% reported they experienced a long wait (34% reported long wait and 11% reported very long wait), while the majority (56%) indicated repairs were made promptly (47%) or very promptly (9%) to equipment when breakdowns occur. In response to the question *The last time you had a piece of equipment*

repaired, how long did it take?, the vast majority of the respondents (66%) indicated that it took from one to three days to get repairs made. The responses ranged from 1 to 150 days, with an average repair time of 12.5 days. Likewise, the majority (64%) indicated it took from one to three days to get repairs made on critical pieces of equipment (e.g., microwave, vending machine, freezer, etc.). The responses ranged from 0 to 45 days with an average repair time of 5.6 days for repairs on critical pieces of equipment.

Replacements

The length of time required to replace critical pieces of equipment varied widely with the responses ranging from 2 to 365 days. The most frequent response was 60 days (17%). The average response time for replacing critical pieces of equipment for all managers was 56 days. The average number of days reported for replacing worn-out equipment or equipment beyond repair was 70 days. Responses ranged from 2 to 514 days.

Pursuit of New Facilities

The vast majority of the facility managers (94%) indicated that BVS/BEP was not actively pursuing new and better facilities for Randolph-Sheppard vendors. Only 6% (three) felt that BVS/BEP was actively pursuing new and better facilities for Randolph-Sheppard vendors. Comments made in response to the question *Do you feel that BVS/BEP is actively pursuing new and better facilities for Randolph-Sheppard vendors?* included the following:

No. Not getting any new ones (sites); federation is driving force to save Philadelphia stands; nothing outside of Philadelphia area.

No. Renovations behind; no promotion; didn't actively seek out private sites.

No. Definitely not.

No. I haven't heard of any new facilities opening except of a few new federal buildings that are closing. We're losing more than we're getting.

No. Don't have anyone to put in it and if we had to put one in it, it would take two years and people haven't in six months.

No. Only larger cities get new ones and they are few and far between; we are losing a lot; we have to work to save them.

No. We're losing them rather than gaining them and no one is trying to find others.

No. Losing stands (under 90, was 143); the few have started to fall apart; no new ones planned.

Not up until this time, lost from 202 stands to 90 stands; since director now, we've lost the most.

No. They're not targeting the right locations.

Yes. Not sure but think they are out looking. There is a lot of red tape. Maybe Nominee could help here.

No. We are losing stands, but not getting any new ones when new building opens; new snack bars are not being pursued.

Don't have enough experience in program; think they need more vendors in area.

I've never heard of any company being re-audited or any new one for awhile.

Do not know.

No. Head is very weak. Nobody is doing homework - only talk.

We keep losing facilities and not getting any new ones. No one is even trying to get new ones.

No. There are no new facilities, and we're losing the ones we have.

Don't know; too new at it as operator.

We're losing stands faster than we're getting new ones. No one seems to try

for more.

Takes too long for BVS to build; agency wants it soon.

No. There just aren't any new facilities being opened and no one is trying to open any new ones.

No. Absolutely not pursuing new facilities; BVS recently said BE agent is not responsible for locating new sites; also BVS staff routinely tell people at potential site that it will take year or more to put in new facility; this discourages their willingness to allow new facility to be developed.

No. Had 200 stands and down to 90 stands over three or four years; new ones opened weren't any good or lost.

No. They are not looking for facilities.

No. Can't put them in, takes two years to put in new locations.

Promotional program has not been on-going and problem getting adequate funding.

No. Should try to get them and get a new program of training; it's hard to move up; the fund is high and not spending money to renovate snack bars or get better equipment, so really should lower it.

Don't know if agents are actively pursuing; need someone to actively pursue new locations.

No. The head of BVS doesn't do anything but talk - no action.

We're rapidly losing locations.

In program long time; never hear of new ones coming up; no private company approached.

The agency is not pursuing new locations.

Our new BEP Agents don't have to seek out new facilities anymore; the whole program is going down.

No. Had two which would have been good but agency is not looking at it.

Do not know.

They do not go out and solicit locations because they have nothing to offer.

With problems of construction and others, there is too long of a wait to do initiatives (two years).

I don't see any new facilities for a long way.

Don't have operators available; aren't promoting program or new locations; takes too long for new locations (one to two years); problems with state workers.

They are trying but would like more.

No. Not many new operators; numbers decreasing instead of increasing and no new facilities.

Mr. Witman is hell bent on destroying program and shutting it down.

No. There are no new facilities to my knowledge; we are losing them; also facilities are in bad shape and need refurbishing, repair, and renovation.

No. I have suggested several potential sites but agents do not follow through.

Set-Aside Rate

For the services being provided, do you feel that the set-aside rate is:

	No.	%
Much too high	0	0
Too high	5	11
About right	20	43
Very reasonable	22	47

The vast majority of facility managers (90%) felt the set-aside rate was about right (43%) or very reasonable (47%). Only 11% (five) felt that the rate was too high, while none felt the set-aside rate was much too high.

Training Opportunities

The vast majority (78%) of the facility managers indicated that they did not receive adequate on-going training from BVS. The remaining 22% (ten) stated that the on-going training from BVS was adequate. On the other hand, the overwhelming majority (83%) indicated that they were interested in BVS/BEP offering increased training opportunities. Only 17% (eight) indicated they were not interested in increased training opportunities. In response to the question *Has the training been helpful to you in managing your location?*, the responses were almost evenly split with 46% (15) indicating the training was not very helpful (6%) or was absolutely not helpful (40%), while the remainder (53%) indicated the training was somewhat helpful (19%) or very helpful (34%).

IMPROVEMENTS NEEDED IN EXISTING SERVICES

In response to the question *In what areas do existing services need to be improved?*, the following comments were made:

- Repairs and replacement of equipment (27 responses)
- Aggressive site selection for new locations (12 responses)
- Additional bookkeeping services
- Training in employment relations
- Marketing (two responses)
- Assisting vendors in locating potential new employees. Perhaps an identified pool of prospective employees.
- Management training
- Need more warehouse personnel (three responses)
- Improved training for new vendors
- Updated equipment (four responses) and maintaining new equipment
- Staff improvements are needed
- More updated mobility including trends in new foods (three responses)
- Improved on-going training opportunities (six responses)
- Improving profits and merchandising (two responses)
- Training in new technology

- A quality training facility is needed
- There should be room for improvement in every aspect. Surveys should be conducted to find out where problems are and then fixing the problems (three responses)

NEW SERVICES NEEDED

In response to the question *What type of new services do you need from BVS which are not currently provided?*, the following comments were made:

- Training, including upward mobility training, in areas such as:
 1. Training on new equipment (two responses)
 2. General business practices (especially taxes) (two responses)
 3. Marketing (four responses)
 4. New food products (four responses)
 5. Bookkeeping and accounting (two responses)
 6. Technology
 7. Handling employees
 8. Stress management
- More people in BVS should have business training (two responses)
- More information on other business opportunities other than snack bars
- New facilities and someone to locate new facilities (two responses)
- Replacement services; equipment and policy procedures
- Accessibility for managers who use braille or other media
- Up-to-date business and financial training; customer service
- Don't know.
- Marketing specialist to locate potential facilities
- More training; need new forms of reporting such as on tape; hard for totally blind
- Periodic meetings to discuss problems and new ideas
- More stands needed
- Can't think of anything

- Need more training sessions
- Add one person from each district to locate new facilities

ELECTED COMMITTEE RESPONSES

Out of the 47 facility managers who volunteered to participate in the survey, a total of 12 indicated they were a member or an alternate of the Elected Committee of Blind Vendors. However, the responses indicated at least one or two respondents declined to answer all questions (i.e., some questions had a total of ten responses, while others had a total of 11 responses). Some facility managers, for example, indicated that they were so new that they couldn't really respond. Another indicated that he was not active in the Committee and declined to respond. From the available data, the following responses were obtained:

The Randolph-Sheppard regs provide that the State Committee of Blind Vendors shall actively participate with the State Licensing Agency in major administrative decisions and policy and program development decisions affecting the overall administration of the state's vending facility program. Do you feel that the Committee of Blind Vendors is afforded an opportunity to actively participate with the SLA in major administrative and policy decisions?

Yes 8 (73%) No 3 (27%)

Is the Committee able to receive and transmit to the State Licensing Agency (SLA) grievances at the request of blind vendors and serve as advocates for such vendors in connection with such grievances?

Yes 11 (100%) No 0%

Is the Committee able to actively participate with the State Licensing Agency in the development and administration of a state system for the transfer and promotion of blind vendors?

Yes 11 (100%) No 0%

Is the Committee able to actively participate with the State Licensing Agency in the development of training or re-training programs for blind vendors?

Yes 8 (80%) No 2 (20%)

Is the Committee able to sponsor, with the assistance of the State Licensing Agency, meetings and instructional conferences for blind vendors within the state?

Yes 9 (90%)

No 1 (10%)

Summary

The facility managers were almost equally divided in their satisfaction and dissatisfaction with the SLA. As indicated earlier, some 40% (19) were either satisfied or very satisfied with the overall services provided by BVS, while 43% (20) were dissatisfied or very dissatisfied with the overall services provided by BVS. Likewise, the respondents were almost equally divided in terms of being in favor of adopting a Nominee Agency Agreement with those who did not know whether the BEP could be better served by a Nominee agency. For example, 39% (18) indicated that a Nominee agency would probably or definitely better meet their needs than they are currently being met by BVS, while 43% stated they didn't know. Likewise, some 45% (21) felt the BEP would be better served by a Nominee agency, while 38% (18) said they didn't know.

SUMMARY/RECOMMENDATIONS

The data reported herein do not substantiate the position that Nominee agencies are clearly more effective and efficient than SLAs who do not have Nominee Agreements. However, the Nominees surveyed in this study were clearly able to repair, replace, and purchase equipment more quickly than the SLA comparison group. This may be in part because of stringent procurement guidelines promulgated by state government procurement agencies. The Nominee group was also able to open cafeterias and other vending facilities somewhat more quickly than the SLA comparison group. The average number of internal complaints reported by the SLAs surveyed were much higher than the Nominee group (7.5 vs 1.75 respectively). Likewise, the number of days required to complete their last renovation was slightly higher for the SLA group (77.5) compared to the Nominee group (71.8). Both groups provided in-service training and upward mobility training to more facility managers than did the Pennsylvania SLA.

In reviewing the data described herein in its totality, it is recommended that the Pennsylvania SLA adopt a Nominee Agreement for the purpose of repairing, replacing, and purchasing equipment utilized in the Randolph-Sheppard program. Such a Nominee Agreement could be restricted to providing this narrow range of services or could be expanded at the discretion of the SLA. A draft model Nominee Agreement is contained in Appendix E.

All of the Nominees visited appeared to be functioning very well and seemed to add flexibility to the ability of the SLAs to administer the program. Advantages cited include the ease and flexibility of administration (e.g., procurement, hiring and firing of employees, reassignment, setting of salary ranges and educational requirements, less red tape in decision-making). Other advantages that could materialize include the earning of interest on vending machine income which could be put back into the Nominee operation and the Randolph-Sheppard program. In bypassing state procurement procedures, it may be possible for a Nominee to avoid taking the lowest bid on equipment or other

items purchased so that a Nominee could purchase only certain brands of equipment in order to get the best service and quality of equipment as well as to be able to respond to equipment sales and/or discount opportunities. All of the SLA/BEP Managers and Nominee Directors were in unanimous agreement that the advantages of utilizing a Nominee Agreement far outweigh the disadvantages of using a Nominee Agreement even though the SLA ultimately remains responsible for the administration of the Randolph-Sheppard program.

If a Nominee Agreement is not an option selected by the SLA, there are activities that could be implemented to improve the Commonwealth's Randolph-Sheppard program. It is recommended that appropriate equipment be stockpiled in the warehouse for two fully equipped snack bars, so that new facilities can be established more quickly. It is also recommended that vending machines be stockpiled in the BVS warehouse to be used for setting up new vending units. Because of the volume of new and used equipment which is being housed in the BVS warehouse, it is recommended that all of the warehouse surplus property be surveyed to purge unused and unneeded equipment to create additional warehouse space.

Notwithstanding any decision that the Pennsylvania SLA might make with regard to adopting a Nominee Agreement, the following recommendations are also provided in an effort to assist the agency in improving the Commonwealth's Randolph-Sheppard program:

It is recommended that the SLA survey all facility managers with regard to their preferred reading media and take steps to ensure that correspondence is always made available in alternate media.

It is recommended that steps be taken to identify an individual specifically assigned the responsibility for recruiting referrals to the Randolph-Sheppard program and for developing new facility sites.

It is recommended that a comprehensive review be made of all appropriated and non-appropriated funds to ensure that maximum utilization is being made in matching federal dollars available for the operation of the Randolph-Sheppard

program.

It is recommended that the SLA set up an Ad Hoc Task Force, made up of facility managers and BEP staff to specifically address the pursuit and creation of new facilities. This Task Force should also be charged with the responsibility of establishing short-term program objectives and a formal process of goal-setting.

Given the proportion (63%) of facility managers who expressed dissatisfaction with the quality of instructional conferences or training opportunities offered by BVS/BEP, it is recommended that steps be taken by the Elected Committee to survey all facility managers to obtain their recommendations for training topics to be addressed at the annual training conference (i.e., annual convention).

It is recommended that training be provided for all BEP senior management staff to ensure that they become computer literate to enhance and facilitate the management of the BEP. The Pennsylvania BVS/BEP should give serious consideration to promoting the use of computer technology and access technology at all levels of the program for reporting and collection of program data. Computer technology and appropriate training should be provided for management staff of the SLA, followed by the provision of equipment and training of BEP counselors throughout the Commonwealth. A Task Force, including BEP staff and facility managers, should also be convened to investigate the advisability of developing a system for providing computers and access technology to facility managers in larger volume facilities to strengthen their ability to be competitive business people in the 21st Century. Likewise, it is recommended that BVS staff evaluate, strengthen, and promote the use of computer access technology by all vending facility operators throughout the Commonwealth.

The BE training program is located in Cleveland, Ohio, at the Cleveland Sight Center. This fee-for-service Agreement with Cleveland Sight Center provides classroom training for potential facility managers. Prior to this current arrangement which began in late 1994, training consisted of on-the-job training (OJT) utilizing senior BEP operators. While the arrangement with Cleveland

Sight Center is superior to the former arrangement from the standpoint of consistency, thoroughness, and accountability, it is recommended that the training program be located in Pennsylvania.

Regulatory guidelines governing the Business Enterprises Program are contained in the DPW Regulatory Authority dated Number 129 - August, 1985. Given the changes made within the BEP since that time, it is recommended that the BEP regulations be reviewed and updated to reflect current practices. More specifically, the pricing policy for facilities which require a minimum of a 40% gross and 20% net profit needs to be reviewed/reevaluated. For example, the Pennsylvania SLA may wish to consider a policy similar to that utilized by the Virginia SLA which establishes a normal gross profit margin range for different types of facilities (i.e., dry stand, 28%-35%; snack bar, 35%-43%; and full cafeteria, 43%-48%). Additionally, steps need to be taken to eliminate the use of "cash drawers." We further recommend that cash registers be used with time/date tapes to establish an audit trail for multi-users of the registers. Audits should be conducted on each facility annually to ensure that all possible rental fees/set-aside charges are captured and collected by the program. Also, it is recommended that BVS staff visit each facility at least once each month pursuant to Section 2430.114 of the BEP Regulatory Authority.

Given the length of time that several BEP positions have remained vacant and the tremendous workload assigned to both units, it is recommended that all Randolph-Sheppard and Little Randolph-Sheppard vacant positions be filled in a timely manner in order to maintain program responsiveness and enhance program accountability. For example, the vacant LRS Agent position could help monitor approximately 90 contract vendors to make sure that they are generating and paying proper commissions to the LRS Unit (this position has been vacant for approximately 18 months).

Given the potential for additional locations on the Interstate Highway System throughout the Commonwealth, it is recommended that BVS renegotiate the Interdepartmental Memorandum of Understanding with the Pennsylvania

Department of Transportation to create new facility locations and/or allow BVS to negotiate contracts on the Interstate Highway System pursuant to the Kennelly amendments. Many of the facility operators noted that the program is not growing and every effort should be made to create new, viable locations for the program. Given the number of facility closures over the last four year period, it would be very appropriate to assign specific responsibilities for developing new locations to at least one individual within the program.

If new locations are to be pursued, because of the complexity associated with designing new locations, it is recommended that the three Construction Specialist positions be evaluated to ensure that these staff have minimal credentials or obtain additional training to do requisite design work (i.e., positions need to be upgraded or reclassified).

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APPENDIX A
Program Evaluation Survey

PENNSYLVANIA BEP PROGRAM EVALUATION SURVEY

1. What was the total amount of all funds expended by the state licensing agency (SLA) for all services for the blind programs in Federal FY '91,'92 and '93?

1991 \$ _____

1992 \$ _____

1993 \$ _____

2. From the total reported on the RSA-15, Section III (Program Expenditures), Part B, question 11 (All Other Expenditures), break out/itemize major expenses and the amounts expended for FY 1991, 1992 and 1993.

Amount Expended

Itemized Expenditures (Section III, Part B, Question 11)	\$ 1991	\$ 1992	\$ 1993

3. What were the total expenditures for Management Services in Federal FY 1991, 1992 and 1993. (Include costs incurred by both State Agency and Nominee Agency)

Amount Expended			
EXPENSES	\$ 1991	\$ 1992	\$ 1993
Salaries			
Full-time staff assigned to BEP			
Part-time staff assigned to BEP			
Travel			
Rent			
Utilities			
Telephone			
Office Supplies			
Postage			
Training			
Selection and Operation of State Committee of Blind Vendors			
Other (please specify)			

4. What was the total of all program expenditures for Federal FY 1990 (RSA-15, Section III, Part B, Line 12?

\$ _____

5. What is the total amount of funds added to the program in federal FY 1990 (RSA-15, Section IV, Line 2)?

\$ _____

6. Are vending facility candidates offered classroom training, _____
either on a contractual basis or by agency staff?

Yes _____ No _____

If training is provided by agency staff, answer questions 7 - 9.

If training is contracted, skip to question 10.

7. Check each of the content areas covered in your classroom curriculum.

Understanding federal and state Randolph-Sheppard laws	_____
Merchandising, marketing, advertising	_____
Management skills	_____
Purchasing, storage, inventory	_____
Sanitation and safety	_____
Food preparation and nutrition	_____
Legal issues	_____
Bookkeeping/Accounting	_____
Salesmanship	_____
Insurance (workers comp., liability, etc.)	_____
Cleaning and maintenance of equipment	_____
Customer relations/services	_____
Handling money and customer theft	_____
Dealing with vending machines	_____
Cafeteria management	_____
Access technology including computer access	_____
Others (please specify)	_____

8. a. Do vending facility candidates receive classroom training in one _____
central location?

Yes _____ (go to Q. 9)

No _____

b. If no, please explain how other training sites are selected.

9. a. Are there different levels of licensure for vending facility
candidates? _____

Yes _____

No _____ (go to Q. 10)

b. If yes, please explain/define levels

10. How do you define "upward mobility training"?

11. a. Do you contract with other organizations/agencies for classroom _____
training?

Yes _____

No _____ (go to Q. 12)

b. If yes, indicate name of organization(s) providing training, average days of training contracted per client, and total expended from all sources for Federal FY 1991, 1992 and 1993. (eg., tuition, books, fees, etc).

1991

Name of Organization	Average Days Per Client	Total Amount Expended

1992

Name of Organization	Average Days Per Client	Total Amount Expended

1993

Name of Organization	Average Days Per Client	Total Amount Expended

12. Check each of the content areas covered in your contracted classroom curriculum.

Understanding federal and state Randolph-Sheppard laws _____

Merchandising, marketing, advertising _____

Management skills _____

Purchasing, storage, inventory _____

Sanitation and safety _____

Food preparation and nutrition _____

Legal issues _____

Bookkeeping/Accounting _____

Salesmanship _____

Insurance (workers comp., liability, etc.) _____

Cleaning and maintenance of equipment _____

Customer relations/services _____

Handling money and customer theft _____

Dealing with vending machines _____

Cafeteria management _____

Access technology including computer access _____

Others (please specify) _____

13. a. Do all vending facility candidates receive on-the-job training? _____

Yes _____

No _____ (go to Q. 14)

- b. If yes, estimate average number of hours per trainee, by type of facility, for Federal FY '91, '92 and '93.

FACILITY	1991 HRS	1992 HRS	1993 HRS
Cafeteria			
Vending Machine			
Other (e.g. Snack Bar)			

14. a. Does your agency have a backlog of referrals to the BE program? _____

Yes _____

No _____ (go to Q. 15)

b. If yes, what are the reasons for the backlog? (check all that apply)

_____ Waiting for minimum number to begin training program

_____ Lack of BE staff

_____ Lack of program money

_____ Other (please specify)

15. a. Do you have licensed blind vendors who are awaiting placement in BEP facilities? _____

Yes _____

No _____ (go to Q. 16)

b. If yes, what are the reasons for the backlog? (check all that apply)

_____ Lack of available facilities

_____ Lack of BE staff

_____ Lack of program money

_____ Client preference

_____ Other (please specify)

c. What is the average statewide waiting time? _____ months

16. a. Do you have more facilities available than operators available to _____
be assigned?

Yes _____

No _____ (go to Q. 17)

b. If yes, what are the reasons?

17. Please estimate the average number of days between recommendation of a site by BE counselors and final approval by agency administration?

Federal Location	Public Location	Private Location
Cafeteria	Cafeteria	Cafeteria
Days _____	Days _____	Days _____
Vending Machine	Vending Machine	Vending Machine
Days _____	Days _____	Days _____
Other	Other	Other
Days _____	Days _____	Days _____

18. Please estimate the average length of time to design, equip, and open a new facility from date of approval by agency administration and opening of a facility.

Federal Location	Public Location	Private Location
Cafeteria Days _____	Cafeteria Days _____	Cafeteria Days _____
Vending Machine Days _____	Vending Machine Days _____	Vending Machine Days _____
Other Days _____	Other Days _____	Other Days _____

19. a. Does your agency have a backlog of sites that have received final approval, which are awaiting development? _____

Yes _____ No _____ (go to Q. 20)

- b. If yes, what is the total number and the average wait?

Number _____ Average wait _____

- c. What are the reasons for the backlog? Check all that apply.

Lack of funds _____
 Lack of BE staff _____
 Legal issues _____
 Other (please specify) _____

20. a. Does your agency require BEP agents/field staff to survey a certain number of potential facility sites per year? _____

Yes _____

No _____ (go to Q. 21)

b. If yes, number required per quarter _____

21. a. Is there an expectation that start-up costs will be recovered in a specific amount of time? _____

Yes _____

No _____ (go to Q. 22)

b. If yes, what is the expected recovery time in months?

Cafeteria	Months _____
Vending Machines	Months _____
Other	Months _____

- b. For each method, indicate average number of days:

procedures

[illegible]

23. After being notified by the vending facility operator, how long does it take to repair equipment in existing facilities?

ITEM	AVERAGE NUMBER OF DAYS TO <u>REPAIR</u>
Freezer/Cooler	
Microwave	
Vending Machine	

b. Please explain or elaborate on variables affecting the number of days required to repair equipment.

24. a. After being notified by the vending facility operator, how long does it take to replace equipment in existing facilities?

ITEM	AVERAGE NUMBER OF DAYS TO <u>REPLACE</u>
Freezer/Cooler	
Microwave	
Vending Machine	

b. Please explain or elaborate on variables affecting the number of days required to replace equipment.

25. a. Do you have an overall renovation plan for all facilities? _____

Yes _____

No _____ (go to Q. 26)

b. If yes, please describe; if written, please attach copy of plan.

26. a. After SLA management gave final approval for renovation of a facility, what was the length of time required to complete your last renovation in each of the following categories?

Cafeteria _____ Days

Vending Machine _____ Days

Other (e.g. Snack Bars) _____ Days

b. Please identify obstacles to rapid renovation.

27. Does the BE program have a written operations manual for BE staff? _____

Yes _____

No _____

28. a. Does the BE program have a formal process of establishing short -term and long-term goals/objectives? _____

Long-term objectives Yes _____ No _____

Short-term objectives Yes _____ No _____ (**go to Q. 29**)

b. If yes, please explain process, including how goals are set, who is involved in the decision-making, prioritizing, etc:

29. a. Does the BE program have a formal process of evaluating the extent to which goals/objectives have been met? _____

Yes _____ No _____ (**go to Q. 30**)

b. If yes, please explain:

30. a. Does the BE program conduct a performance review of each licensed operator? _____

Yes _____ No _____ (**go to Q. 31**)

b. If yes, how often? _____

31. How do you recruit new candidates for the BE program? (check all that apply) _____

1. Rehabilitation Teacher _____
2. VR Counselor _____
3. Consumer Organization _____
4. Self-Referral _____
5. Other (please specify) _____

32. Please describe to what extent the Elected Committee of Blind Vendors are involved in the process of selecting candidates for available locations? _____

33. a. Total number of all state agency staff assigned to BE Program (FTE's).

_____ Male _____ Female _____ Total FTE's

b. If you are a Nominee state, please indicate total number of Nominee staff assigned to the BE program.

_____ Male _____ Female _____ Total FTE's

34. National origin of SLA/Nominee staff.

	SLA #	Nominee #
White	_____	_____
Black	_____	_____
Hispanic	_____	_____
Asian or Pacific Islander	_____	_____
American Indian or Alaskan Native	_____	_____
Other _____	_____	_____

35. a. What is the total number of state agency employees assigned to the BE Program in each of the following categories? (non-duplicated count/FTE's)

Counselor _____
Administrator _____
Accountant/Bookkeeper _____
Secretary/Clerical _____
Driver _____
Trainer _____
Technician/Repairman _____
Construction/Design Personnel _____
Warehouse Personnel _____
Other _____
(specify)

- b. If you have a Nominee Agreement, what is the total number of Nominee employees in each of the following categories: (non-duplicated count/FTE's)

Counselor _____
Administrator _____
Accountant/Bookkeeper _____
Secretary/Clerical _____
Driver _____
Trainer _____
Technician/Repairman _____
Construction/Design Personnel _____
Warehouse Personnel _____
Other _____
(specify)

36. If you have a Nominee Agreement, what was the total expenditure for Nominee staff salaries for Federal FY 1991, 1992 and 1993?

1991	1992	1993
\$ _____	\$ _____	\$ _____

37. a. How many BE staff employed by the SLA are legally blind? _____
b. How many Nominee staff are legally blind? _____
38. Please complete the chart on the following two pages indicating the minimal education requirements for your staff (Include SLA and Nominee Staff)

Please check different levels for each position as needed

Position	High School		Vo-Tech School		Some College		BA		MA		Other specify		Pay Range	
	SLA	Nom	SLA	Nom	SLA	Nom	SLA	Nom	SLA	Nom	SLA	Nom	SLA	Nom
Counselor														
Administrator														
Accountant/ Bookkeeper														
Secretarial/ Clerical														
Trainer														

Please check different levels for each position as needed

Position	High School		Vo-Tech School		Some College		BA		MA		Other specify		Pay Range	
	SLA	Nom	SLA	Nom	SLA	Nom	SLA	Nom	SLA	Nom	SLA	Nom	SLA	Nom
Technician/ Repairman														
Driver														
Construction/ Design Personnel														
Warehouse Personnel														
Other (specify)														

39. List each counselor by name and indicate the number of facility operators, by type of facility, that he/she supervises.

COUNSELOR NAME	Cafeteria	Vending Machine	Other	Total Supervised

40. a. Are there differences in the amount of time expended for management support services provided by the BE counselor based on facility type? _____

Yes _____

No _____(go to Q. 41)

b. If yes, please explain:

41. To what extent are you satisfied with the overall skills of first-time vendors (those who have managed their own facilities for 12 months or less)? (circle one) _____

1. Very dissatisfied
2. Dissatisfied
3. Neutral
4. Satisfied
5. Very satisfied

42. To what extent are you satisfied with the overall skills of experienced vending facility operators (those who have managed their own facility for more than 12 months)? (circle one) _____

1. Very dissatisfied
2. Dissatisfied
3. Neutral
4. Satisfied
5. Very satisfied

43. a. Do you have agendas for in-service and upward mobility training programs provided in Federal FY '91, '92 and '93. _____

Yes (1) _____

No (0) _____(go to Q. 44)

b. If yes, please provide copies for those available

44. a. Number of formal complaints/grievances filed with the U. S. Department of Education (RSA) against the SLA in the last five years (October 1, 1988 thru September 30, 1993):

Total Number _____

- b. Number due to Nominee recommendations or actions _____

45. a. Number of complaints/grievances handled internally by the SLA in the last 5 years.

Total Number _____

- b. Number handled by Nominee _____

46. a. Number of these complaints/grievances leading to the formation of Arbitration Panels during the last 5 years.

Total Number _____

- b. Number due to Nominee recommendations or actions _____

47. a. Number of formal complaints/grievances filed by the SLA against Federal Agencies/Property Managers.

Total Number _____

- b. Number due to SLA actions _____

- c. Number due to Nominee actions _____

Questions for Nominee State SLA Directors

48. What specific services are provided by your Nominee?

Could include, but not limited to the following:

- ☐ Day to Day Management Services (BEP Counselors)
- ☐ Bookkeeping/Accounting Services
- ☐ Initial Vendor Training (content, duration,etc.)
- ☐ Site Selection
- ☐ Inventory of Merchandise of Equipment
- ☐ Facility Design and Renovation
- ☐ Facility Maintenance
- ☐ Repair and Replacement of Equipment
- ☐ Purchasing
- ☐ Other Services

49. Are there any unique features associated with the provision of these services or other unique features of the Nominee Agreement?

50. How would you describe the overall relationship of SLA staff with the staff of the Nominee Agency?

- Very strained relationship ____
- Strained relationship ____
- O.K. ____
- Good relationship ____
- Excellent relationship ____

51. How much did you pay the Nominee for services in:

Federal FY 1991	Federal FY 1992	Federal FY 1993
\$ _____	\$ _____	\$ _____

52. How satisfied are you with your Nominee?

Very Dissatisfied _____
Dissatisfied _____
Neutral _____
Satisfied _____
Very Satisfied _____

53. What additional services, if any, would you like to see provided by the nominee?

54. When did you adopt your Nominee Agreement?

Year

55. a. Have you made any recent changes in your Nominee Agreement? _____

Yes ____ (**go to b**) No ____ (**go to c**)

b. If yes, please describe:

c. If no, are you contemplating any changes in your nominee agreement?

Yes ____ No ____ (**go to Q. 56**)

d. If yes, please describe:

56. Can you describe the history of cost of the BE program before and after adopting the Nominee Agreement?

57. What are the major advantages with using a Nominee Agency?

58. What are the major disadvantages associated with using a Nominee Agency?

Question for Nominee Director

59. How would you describe your overall relationship with the SLA?
(check one)

- Very strained relationship ____
Strained relationship ____
O.K. ____
Good relationship ____
Excellent relationship ____

APPENDIX B
BEP Vendor Satisfaction Survey and Interview
Protocol

PENN. - BEP VENDOR SATISFACTION SURVEY

Select representative sample from each Region of the state

Demographics

1. Vendor # _____
2. Sex: (1) Male _____ (0) Female _____
3. Age: _____
4. National Origin:
 1. White _____
 2. Black _____
 3. Hispanic _____
 4. Asian or Pacific Islander _____
 5. American Indian or Alaskan Native _____
 6. Other _____
(specify)
5. Marital Status _____
 1. Never married _____
 2. Married _____
 3. Separated _____
 4. Divorced _____
 5. Widowed _____
6. Highest Grade of School Actually Completed
(GED should be recorded as 12) _____

7. Age at onset of blindness _____

8. Do you have any remaining functional/usable vision? _____
(1) Yes _____ (0) No _____

9. Do you know your Snellen visual acuity _____
(with best correction)? _____
(1) Yes _____ (0) No _____

Right 20/_____; Left 20/_____; % Remaining _____

CF LP Only No LP (**circle if applicable**)

10. Can you read print with or without magnification devices? _____
(1) Yes _____ (0) No _____

11. Type of vending facility operated (check one) _____

1. Snack Bar _____
2. Cafeteria _____
3. Vending Machine _____
4. Highway Facility _____
5. Other (e.g. Dry Stand) _____

12. Number of years in the Pennsylvania BE program. _____

13. What is your preferred reading medium? _____

1. Regular Print _____
2. Large Print _____
3. Braille _____
4. Cassette Tape _____
5. Computer Disk _____
6. Other _____

14. Do you read Braille? _____
- (0) No
(1) Grade I
(2) Grade II
15. How many times have you changed facility locations while in the BEP program? (**count coming back to the same location**) _____
16. Do you use adaptive equipment to operate your facility? _____
- (1) Yes _____ (0) No _____

Please explain: (e.g., talking cash register, money identifier, magnifier, computer access technology, CCTV, etc.)

PERCEPTIONS OF THE SLA

17. To what extent are you satisfied with the overall services provided by the Bureau of Blindness and Visual Services (BVS)? _____
1. Very dissatisfied
2. Dissatisfied
3. Neutral
4. Satisfied
5. Very satisfied

18. To what extent are you satisfied with the accounting services provided by BVS? (Alternately reverse order of choices) _____
1. Very dissatisfied
 2. Dissatisfied
 3. Neutral
 4. Satisfied
 5. Very satisfied
19. Are you satisfied with the number of instructional conferences or training opportunities (i.e., annual convention) for blind vendors which are offered by BVS/BEP? _____
1. Very dissatisfied
 2. Dissatisfied
 3. Neutral
 4. Satisfied
 5. Very satisfied
20. Are you satisfied with the quality of instructional conferences or training opportunities for blind vendors which are offered by BVS/BEP? _____
1. Very dissatisfied
 2. Dissatisfied
 3. Neutral
 4. Satisfied
 5. Very satisfied
21. Are you satisfied with the services provided by your BEP Agent? (e.g., counseling, advocacy, getting repairs done, etc)? _____
1. Very dissatisfied
 2. Dissatisfied
 3. Neutral
 4. Satisfied
 5. Very satisfied
22. Do you feel that your BEP Agent takes time to listen to your needs? _____
1. Never
 2. Seldom
 3. Sometimes
 4. Always

23. Do you feel that you are treated with courtesy and respect by your BEP Agent? _____
(1) Yes _____ (0) No _____
24. Do you feel that you are treated with courtesy and respect by the other BEP staff? _____
(1) Yes _____ (0) No _____
25. Do BVS staff visit your facility at least once each month? _____
(1) Yes _____ (0) No _____
26. Do BVS/BEP staff return your telephone calls in a timely manner? _____
1. Never
2. Seldom
3. Sometimes
4. Always
27. Do you feel that a Nominee Agency could better meet your needs as a licensed blind vendor than they are currently being met by the BVS/BEP staff? (provide definition of a nominee agency, as needed). _____
1. No, definitely not
2. Probably not
3. Don't know
4. Probably
5. Yes, definitely
28. Do you feel that there are adequate opportunities for upward mobility within the BEP program as a whole? _____
(1) Yes _____ (0) No _____
29. How quickly are repairs made to equipment when breakdowns occur? _____
1. Very long wait
2. Long wait
3. Promptly
4. Very promptly

30. The last time you had a piece of equipment _____
repaired, how long did it take? _____

of days or half days _____

(if vendor says a week, ask if 5 days or 7 days)

31. How long does it usually take for repair of critical pieces of _____
equipment? (e.g., microwave, vending machine, freezer, etc.). _____

of days or half days _____

32. The last time you had a critical piece of equipment replaced, _____
how long did it take? **(leave blank if no experience**
with replacements)

of days or half days _____

33. How long does it usually take to replace _____
worn-out equipment or equipment beyond repair? _____

of days or half days _____

34. Do you feel that BVS/BEP is actively pursuing new and _____
better facilities for Randolph-Sheppard Vendors? _____

(1) Yes _____ (0) No _____

Please explain:

35. For the services being provided, do you feel that the set-aside rate is: _____

1. Much too high
2. Too high
3. About right
4. Very reasonable

36. Is correspondence from BVS/BEP routinely made available in preferred _____
reading media?

1. Never
2. Seldom
3. Sometimes
4. Always

37. Do you feel that you receive adequate on-going training from BVS? _____

(1) Yes _____ (0) No _____

38. Are you interested in BVS/BEP offering increased training
opportunities (e.g., sanitation, marketing, employee relations, etc.) _____

(1) Yes _____ (0) No _____

39. Has the training been helpful to you in managing your location? _____

1. No, absolutely not helpful
2. Not very helpful
3. Somewhat helpful
4. Very helpful

40. In what areas do existing services need to be improved? (Please be specific)
(e.g., site selection, timely replacement of equipment, etc.)

41. What type of new services do you need from BVS which are not currently
provided? Please be specific.

42. Would you recommend the BEP program to a friend who is legally blind? _____

(1) Yes _____ (0) No _____

43. In your opinion, would the BEP program be better served by a Nominee Agency? _____

1. No, definitely not
2. Probably not
3. Don't know
4. Probably
5. Yes, definitely agree

Why or Why Not? Please explain.

44. Are you currently a member of the Elected Committee of Blind Vendors? (**check Yes if Alternate**) _____

(1) Yes _____ (0) No _____

If Question 44 is answered YES, ask these questions. If NO, thank facility operator for their time.

FOR ELECTED COMMITTEE OF BLIND VENDORS ONLY

45. The Randolph-Sheppard regs provide that the State Committee of Blind Vendors shall actively participate with the State Licensing Agency in major administrative decisions and policy and program development decisions affecting the overall administration of the state's vending facility program. Do you feel that the Committee of Blind Vendors is afforded an opportunity to actively participate with the SLA in major administrative and policy decisions? _____

(1) Yes _____ (0) No _____

46. Is the Committee able to receive and transmit to the State Licensing Agency grievances at the request of blind vendors and serve as advocates for such vendors in connection with such grievances. _____

(1) Yes _____ (0) No _____

47. Is the Committee able to actively participate with the State Licensing Agency in the development and administration of a state system for the transfer and promotion of blind vendors? _____

(1) Yes _____ (0) No _____

48. Is the Committee able to actively participate with the State Licensing Agency in the development of training or re-training programs for blind vendors? _____

(1) Yes _____ (0) No _____

49. Is the Committee able to sponsor, with the assistance of the State Licensing Agency, meetings and instructional conferences for blind vendors within the state? _____

(1) Yes _____ (0) No _____

Thank you very much for your time and attention to these questions. This completes the Satisfaction Survey. Do you have any questions of me or any comments you would like to make? Is there anything you would like to add that I didn't ask you about?

**PENNSYLVANIA BEP STUDY
INTERVIEW PROTOCOL
(Randolph-Sheppard Vending Facility Administrators)**

Name: _____

Date: _____

Agency: _____

Start Time: _____

Mr./Ms. _____, my name is _____

I am with the Research and Training Center on Blindness and Low Vision at Mississippi State University. We had contacted you earlier regarding your willingness to be interviewed as part of a research project we are conducting for Pennsylvania Blindness and Visual Services, Business Enterprises for the Blind. We appreciate your willingness to participate in this project. Is this a good time for you to discuss your BEP program with me? (If yes, continue; if no, make another appointment.)

The Pennsylvania Business Enterprises Program has asked us to conduct a feasibility study to determine whether a Nominee Agency would manage the program more efficiently and effectively than it is currently being managed. As part of the study, we are looking at how states with Nominee Agreements differ from similar states who do not have Nominee Agreements.

First, I want to let you know that you are not required to answer any or all of the questions and you may end the interview at any time. This is strictly voluntary on your part; your name will not be used in the final report and all responses will be combined into aggregate data, so that the confidentiality of your responses will be maintained.

This will only take a few minutes. Would you like to go ahead with the survey now?

APPENDIX C

Overview of Nominees

DISTRICT OF COLUMBIA NOMINEE AGENCY

District of Columbia Randolph-Sheppard Nominee, Inc.

The D.C. Randolph-Sheppard Nominee, Inc. serves as the Nominee agency for the District of Columbia Randolph-Sheppard Vending Facility program. The Nominee provides a wide variety of services including day-to-day management services, bookkeeping/accounting services, site selection, inventory of merchandise and equipment, facility design and renovation, facility maintenance, repair and replacement of equipment, purchasing, etc. The Randolph-Sheppard program serves as a division within the D.C. Rehabilitation Services Administration which has used a Nominee agency since approximately 1942. The D.C. Randolph-Sheppard Nominee, Inc. agency is the fourth in a series of Nominee agencies used by the SLA since 1942. The D.C. Randolph-Sheppard Nominee, Inc. employs a total of 11 staff; five of these are paid by the SLA (i.e., the Nominee Agency Executive Director and four Business Counselors), while the remaining six are paid directly by the Nominee agency out of set-aside funds (i.e., Comptroller, Accounts Payable Specialist, Bookkeeper, Personnel Counselor, Warehouse Manager/Driver, and a Secretary).

The Randolph-Sheppard Vending Facility program employs five individuals; these include the Vending Facility Program Chief, a VR Counselor who serves as Assistant Chief, a Training Coordinator, a VR Specialist and a temporary Secretary.

The Nominee agency operates under a cost reimbursable contract with a fixed-price component. The contract is a five-year contract with annual renewable options and expires in 1996. The fixed-price component contains funding for personnel costs, equipment costs, preventive maintenance, repairs, design and development, initial inventory purchases, etc. The Nominee and the BEP Facility Chief were co-located from 1985 until 1991; the Nominee moved out of the co-location in 1991, but remains within the District of Columbia. The Nominee has a governing Board of Directors composed of seven individuals who are reviewed and

approved by the SLA Director. These individuals are nominated by the Elected Committee of Blind Vendors; four of the seven Board members are currently blind vendors. The Nominee Executive Director is a Certified Public Accountant (CPA) and serves at the pleasure of the Board. The Nominee Board meets about every five weeks, while the Elected Committee of Blind Vendors meets about once per month. The Nominee Board contains seven members and the Elected Committee of Blind Vendors contains seven members. Both groups work closely with the Pension Trustee Committee which is made up of a five-member committee, one of whom also serves on the Nominee Board.

The District of Columbia Randolph-Sheppard program currently administers a Business Enterprise Program for 46 blind vending facility operators. Forty-four of these are located on federal property, while two are located on District-owned property. The 46 facility managers operate 56 facilities throughout the District. Since the vast majority of the facilities are located on federal property, the federal property managers do most of the design work for the program.

Most of the current vending facility operators have been in the program for quite some time. Applicants for the BEP for the District have to live in the District at the time of application to the program. Classroom training is provided for potential licensees at the University of the District of Columbia; individual transfer and OJT is provided as well as "coaching" by the Training Coordinator through existing licensed vendors. The SLAs conduct an annual in-service training program for the facility operators; workshops are held as needed, which address such topics as income taxes, small business operations, etc. These workshops are sponsored by the Internal Revenue Service (IRS), the Small Business Administration (SBA), etc.

The total Nominee agency budget for FY 1993 was approximately \$1 million. This includes funding from the set-aside program which is levied at a 21% set-aside rate. The 21% set-aside rate remains constant for the entire year.

The SLA uses a promotion and transfer point system whereby a combination of seniority and performance evaluation points are utilized to promote

vendors to better locations. Performance evaluations are conducted semi-annually. Representatives from the Elected Committee of Blind Vendors indicate that "the Nominee structure has always worked well within the District; if you need an ice machine, you can't wait six months to get it." Likewise, both the Nominee Director and the BEP Manager feel that the Nominee Agency Agreement has worked extremely well since the time they both came on board in 1989. The District has no vending locations under the Interstate Highway Program and uses machine-generated income for the Pension Investment Fund. The average earnings, after expenses, of vendors within the District is approximately \$35,000 each.

GEORGIA NOMINEE AGENCY
GEORGIA COOPERATIVE SERVICES FOR THE BLIND, INC.

The Georgia Vending Facility program is administered through the Georgia Department of Human Resources, Division of Rehabilitation Services. Since its beginning in 1944, the Vending Facility program has contracted a variety of administrative services with a Nominee agency, the Georgia Cooperative Services for the Blind, Inc. (GCS). GCS is a non-profit private agency with a governing board composed of ten members plus the Executive Director of GCS and the Director of the state Vending Facility program. None of the Board members are blind or visually impaired, and there appears to be some dissention among key players on the Nominee Board surrounding this issue.

State agency staff total 14 persons including two administrators, nine senior counselors, one entry level counselor, and two secretaries. Counselors report to the BEP Administrator and Assistant Administrator. Counselors provide day-to-day management services to facility managers. In addition, they are also responsible for site selection, evaluation of facility managers, building contract negotiations, etc.

GCS has five employees which include the Executive Director, a Trainer, an Administrative Assistant and two Accountant/Secretarial staff. Services provided by GCS staff include bookkeeping/accounting services, initial vendor training, and purchasing of equipment. In addition, GCS is responsible for outside contracting to cover vending locations under the Interstate Highway Program. Managers within the Georgia Vending Facility program subsequently receive monies collected from the Highway Program in lieu of health benefits. Facility managers also receive free life insurance benefits through GCS. GCS is in the process of reviewing retirement programs covering facility managers.

The Nominee issues checks for helpers, rent, utilities, or other expenses chargeable to the location. All amounts paid for the vendor are reflected on the monthly settlement sheet. Also, the Nominee has established tax savings

accounts, direct deposits, Christmas Club accounts, and Credit Union withholding services for all facility managers, helpers and staff. All monthly information issued by the Nominee or the agency is available in braille or large print upon request.

Funding for fringe benefits and other program growth activities is due, in part, to GCS's ability to accumulate (and invest) money over several years. These monies, referred to as "net assets" have experienced considerable growth as a result of GCS's Executive Director investing in mutual funds, interest-bearing accounts, etc. From these "net assets" GCS has advanced money to the state Vending Facility program enabling them to respond quickly to opportunities for new facility development.

GCS staff have developed a sophisticated accounting system using the Unix operating system. Vending facility managers submit daily reports and receive a monthly settlement check, less their draw. They also have the option of authorizing GCS to withhold monies for federal and state income tax purposes and a Christmas Club account. GCS provides materials in braille to managers, when requested.

The Elected Committee of Blind Vendors include approximately ten persons representing each of the vocational rehabilitation districts. Relationships among members of the Elected Committee, GCS, and state program staff appear to be extremely positive. The Elected Committee meets quarterly with the SLA and Nominee or as needed. Committee members are actively involved in a variety of activities including developing agendas for in-service training activities and assigning vendors to facilities.

The Georgia Vending Facility program has approximately 114 locations with 121 vendors. Numbers reported as of September, 1994 show 49 facilities on federal property, 45 facilities on public property, and 18 facilities on private property. A 12% set-aside has been collected for the last several years. Physical offices for GCS are in the same building as the state Vending Facility program. This close proximity of GCS and state agency staff enhances communication and teamwork between staff plus allows state agency staff to easily share GCS

facilities and equipment (eg., conference room, braille printer, etc).

According to the state vending facility administrators, the Nominee agency provides "...excellent bookkeeping services to vendors and ... excellent training services for vendors and license candidates." GCS staff can respond on a "same day basis" to equipment repair and replacement requests. GCS purchasing methods, which are outside the confines of state purchasing procedures, have also allowed staff to purchase "on the spot" at equipment shows and to respond to equipment sale/discount opportunities. Administrators are very satisfied with the Nominee and are actively investigating the addition of centralized billing and other payroll services.

**VIRGINIA NOMINEE AGENCY
BUSINESS OPPORTUNITIES FOR THE BLIND, INC.**

The Virginia Department for the Visually Handicapped has utilized a Nominee agency since 1957. The Nominee agency has a Board of Directors composed of six members. The Chair of the Elected Committee of Blind Vendors serves on the Board as well as another retired vendor. The Board meets quarterly and seems to have an excellent working relationship with the SLA. Likewise, the Elected Committee of Blind Vendors also seems to have a good relationship with the Nominee agency. The Elected Committee of Blind Vendors is made up of nine facility operators and the Committee meets quarterly. Business Opportunities for the Blind, Inc. (BOB) has served as the agency's Nominee for some 38 years and currently has 19 employees, three of whom serve as relief workers for blind vendors when they are sick, on vacation, etc. These three Nominee employees devote approximately 75% of their time to working as relief operators for vendors and the salaries for this time are paid by the blind vendor; the remaining 25% of their time is supported by BOB. The General Manager of the Nominee agency has been employed by the Nominee since 1983 and serves at the pleasure of the Nominee Board.

The Nominee agency operates under a one-year contract with an option on three additional years, so that the SLA essentially has a four-year contract with the Nominee. The Nominee employs one General Manager/Administrator, five Business Counselors, five Accountants/Bookkeepers, one Secretary, one Trainer, one Design Specialist, one Training Facility Manager, one Operations Manager, and three relief operators. Additionally, there are two part-time employees (i.e., one Secretary who works 25 hours per week (.63 FTE) and a Food Service worker who works 35 hours per week (.88 FTE).

The SLA has recently undergone internal reorganization and during the period under consideration (i.e., 1991, 1992 and 1993), the BEP utilized a total of 1.9 FTEs, but .90 FTE has been reduced and the program is now administered

through one full-time Administrator (1.0 FTE). Average vendor earnings in Virginia for FY 1993 was \$25,926. The set-aside rate utilized is a graduated rate and is charged on quarterly earnings as follows:

\$0 - \$1,500	5%
\$1,500 - \$3,000	20%
\$3,000 - \$4,000	30%
\$4,000 - \$10,000	40%
\$10,000 +	45%

The SLA has a fair minimum return policy which is set at \$12,000 per year; consequently, if the vendor earns less than \$3,000 per quarter, he/she doesn't pay any set-aside fees for that quarter. Additionally, the Nominee has been able to utilize state vehicles for travel purposes which may very well be eliminated in the near future. The Nominee provides the full range of services including day-to-day management services, bookkeeping/accounting services, initial vendor training which involves a 20-week curriculum (i.e., ten weeks in the classroom and ten weeks of OJT in a local training facility), inventory of merchandise and equipment, facility design and renovation services, facility maintenance, repair and replacement of equipment, and purchasing of equipment. Site finding/site selection is performed by the SLA. The Nominee agency has its own procurement policies and procedures which allow it to operate outside the parameters of the state procurement system. The Nominee also maintains a small warehouse for storage (approximately 800 square feet) and also utilizes private service company representatives for repairs. The SLA/BEP Manager feels that the advantages of utilizing a Nominee definitely outweigh the disadvantages of using a Nominee.

Set-aside monies in Virginia are not appropriated by the General Assembly and offer the Nominee and SLA additional flexibility in administering the program. The Chair of the Elected Committee of Blind Vendors feels that the Nominee "does a good job." Vendors who do not earn the fair minimum return of \$12,000 per year are subsidized out of set-aside to get them up to that minimum rate. The Chair of the Elected Committee of Blind Vendors feels that there are a

number of advantages in using a Nominee including the vendors not having to "hassle with the bookwork, the payroll, the taxes, deposits to the bank, etc." He feels that getting repairs done in a timely manner and getting equipment replaced in a timely manner are distinct advantages. Likewise, the Nominee provides relief operators to operate a given facility if the vendor is out sick or on vacation. Additionally, interest earned on reserve funds held by the Nominee go back into the Randolph-Sheppard program as opposed to the State General Fund or State Treasury. Disadvantages cited by the Committee Chair included the high cost of running the operation and recent controversies over giving Nominee staff a pay raise.

WEST VIRGINIA NOMINEE AGENCY

West Virginia Society for the Blind and Severely Disabled, Inc.

The West Virginia Division of Rehabilitation Services has utilized a Nominee agency, the West Virginia Society for the Blind and Severely Disabled, Inc., since 1946. The SLA has used the same Nominee since that time. The West Virginia Nominee agency is quite unique in that the Chief of the SLA's Business Enterprise Program also serves as Administrator of the Nominee agency. His salary is paid by the SLA out of Federal Section 110 funds and state appropriated matching funds. The Nominee has a five-member Board of Directors, two of which are Ex-Officio members from the SLA and they retain the right to vote and exercise full privileges as Board members. One of these is the SLA Director and the other is the Chief of Services for the Blind. A third representative has to be an SLA employee so that at least three of the five Board members must be SLA employees and a member of the West Virginia Society for the Blind and Severely Disabled, Inc.

The West Virginia Society for the Blind is made up of 48 members; the Nominee has four full-time employees made up of one Vocational Instructor, two Building/Equipment Mechanics, and one Audit Clerk. The SLA has six employees assigned to the Randolph-Sheppard program and these include the BEP Administrator, one Vocational Instructor, one Accountant Assistant I, one Accountant I, one Building Equipment Mechanic, and a Supervisor I.

The Nominee owns its own office complex which tends to reduce operating expenses for both the Nominee and the SLA. It was pointed out that the Nominee used five vehicles during the three years under review which were provided by the SLA during that three year period. However, the Nominee donated funds to the SLA to purchase three of the vehicles so that the SLA could get a "better deal" which benefited both parties.

The Nominee provides management services for 32 Vending Facility Operators who operate a total of 52 facilities (16 are located on the Interstate

Highway System and are operated by hourly employees). Average earnings for vendors in West Virginia for FY 1993 was \$22,419 (which includes base salary only, not fringe). The West Virginia BEP has a fair minimum return policy of about \$8,840 (minimum wage) but no vendors are being subsidized at the present time. The SLA Director and BEP Administrator feel that the advantages of using a Nominee far outweigh the disadvantages. Advantages cited include the ease and flexibility of administration (procurement, hiring and firing of employees, reassignment, less red tape in decision-making, etc.). Additionally, it was pointed out that interest earned on vending machine income goes back into the Nominee operation and the Randolph-Sheppard program. No set-aside is assessed on vendors in West Virginia. An additional advantage that was pointed out included the fact that the Nominee does not have to take the lowest bid on equipment and other items purchased. The Nominee indicated that they may want to purchase only certain brands of equipment in order to get the best service and quality of equipment and it is a distinct advantage not to have to take the lowest bid. They could not identify any disadvantages per se, associated with utilizing a Nominee agency.

Comments from Chairs of Elected Committee of Blind Vendors

Virginia

The Chair entered the Virginia program in 1958. Although he indicated that the Nominee agency "does a good job" he expressed interest in reassessing the number of services provided to vendors. He suggested that the Virginia Nominee, in providing detailed management services to all vendors, created an environment of dependency and was costly for many of the more skilled vendors. The Chair felt that offering different levels of services to vendors could result in substantial savings. He also recognized that the less experienced and less knowledgeable vendors should continue to receive full-blown management services.

West Virginia

The Chair of the West Virginia program has been a vendor for 23 years, having worked the majority of years in the Ohio program. He expressed his satisfaction with the range of services and staff of the Nominee agency. Although vendors pay a portion of their health insurance and have no retirement program, the Chair was pleased that there continues to be no set-aside charged to vendors.

D.C.

Both the Chair and Secretary commented on the Washington, D. C. program. Together they have over 53 years experience in the program. Both indicated satisfaction with the Nominee agency, noting the ease and speed of "getting things done." They also suggested a need to increase services including (1) more active pursuing of new facilities, (2) recruitment of additional blind vendors, and (3) increased training opportunities.

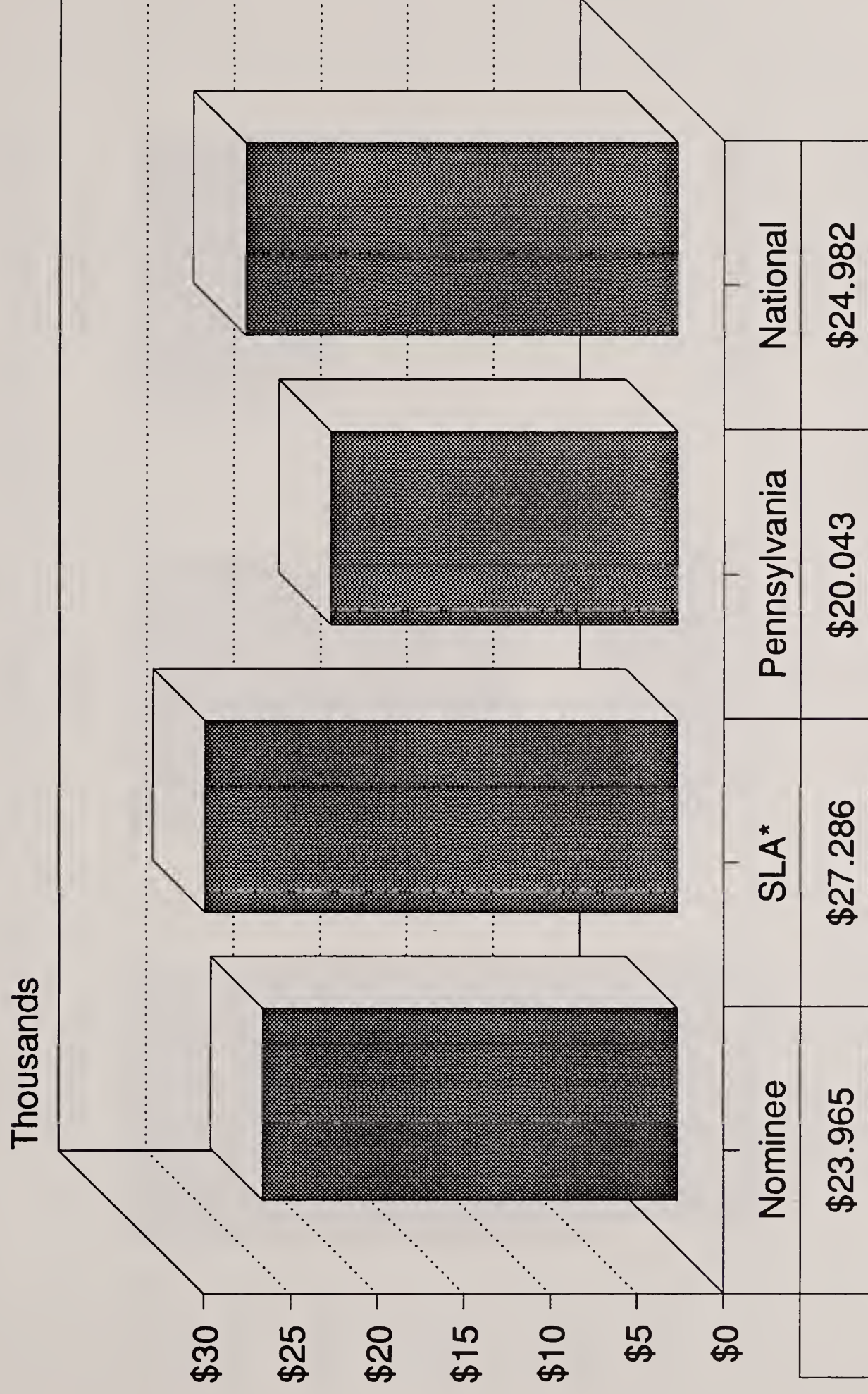
Georgia

The Chair of the Georgia program was highly complimentary of the Nominee agency. Although expressing her concern with the lack of a vendor on the Board, she indicated that the Committee of Blind Vendors had a positive relationship with both Nominee staff and Board members. She also indicated her satisfaction with the Nominee's range of services, speed in repairing and replacing equipment, payroll services, investment program, and future plans for a retirement program.

APPENDIX D

Program Charts and Graphs

Average Vendor Earnings



Group Averages

National Report (1991-93)

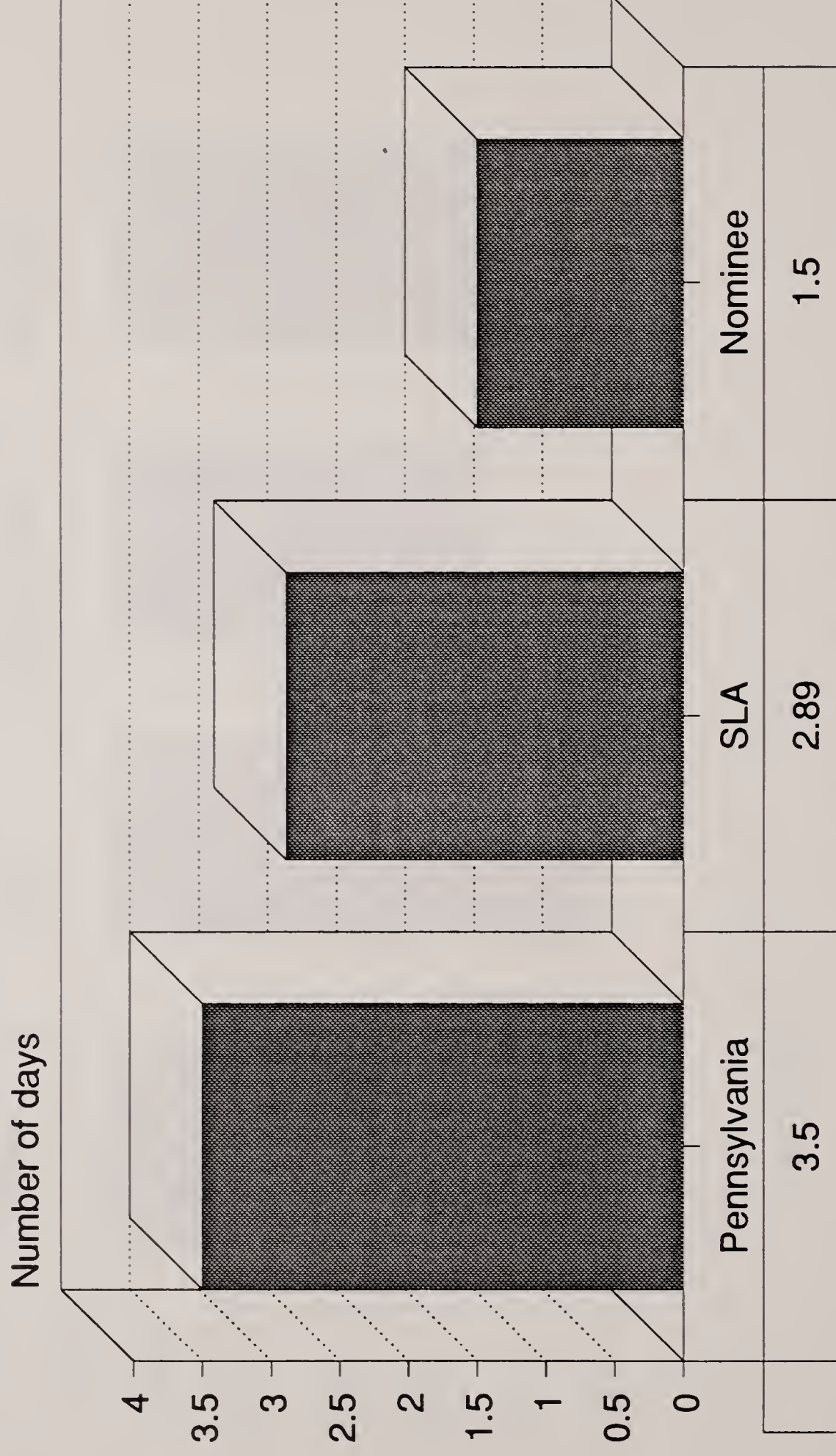
Data Source: RSA-15 (1991-93)

Figure 1

*Excludes Nevada

Days to Repair

Nominee, SLA, and Pennsylvania



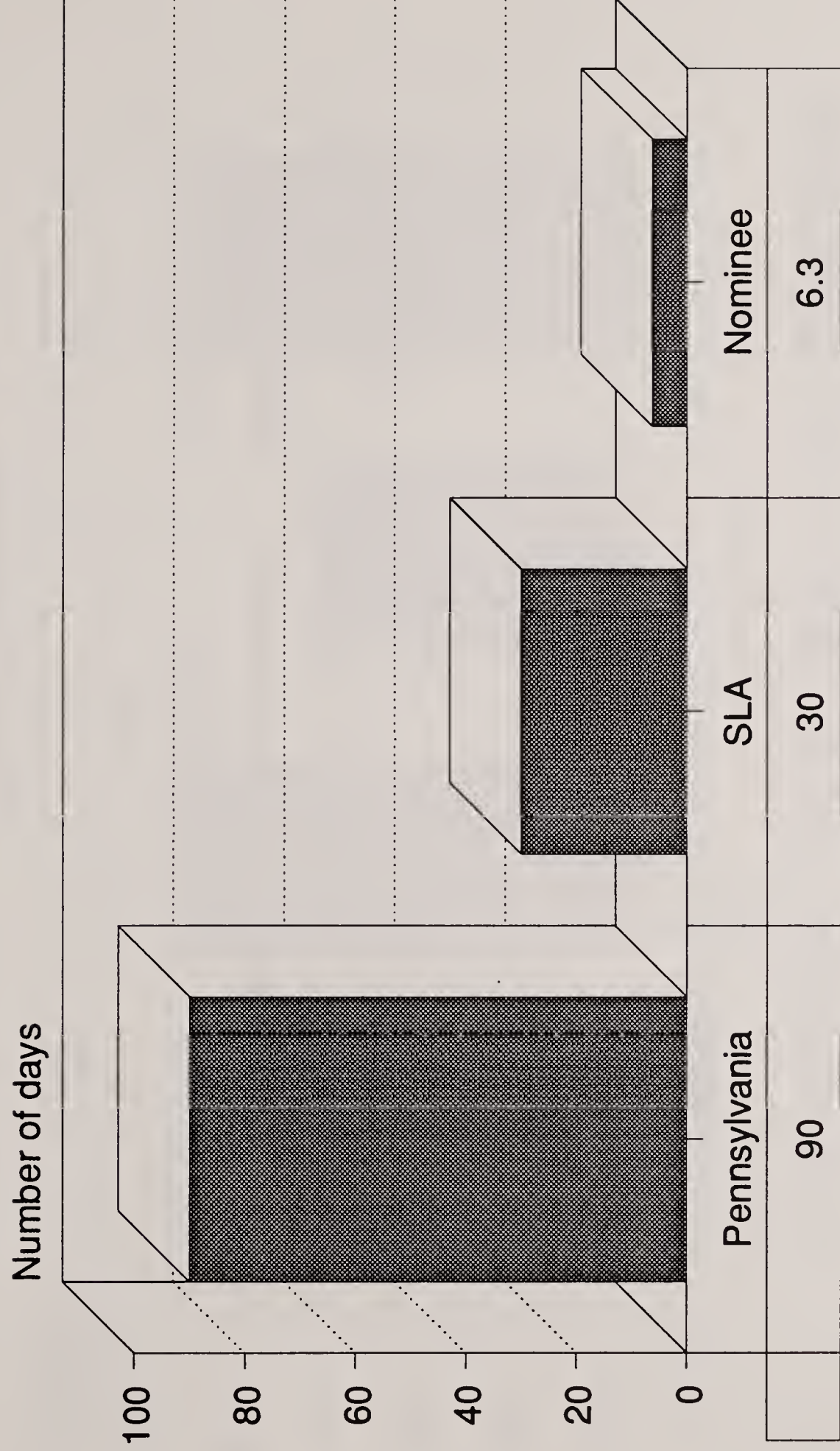
Data Source: Program Eval. Instrument

Group Averages

Figure 2

Days to Purchase

Nominee, SLA, and Pennsylvania



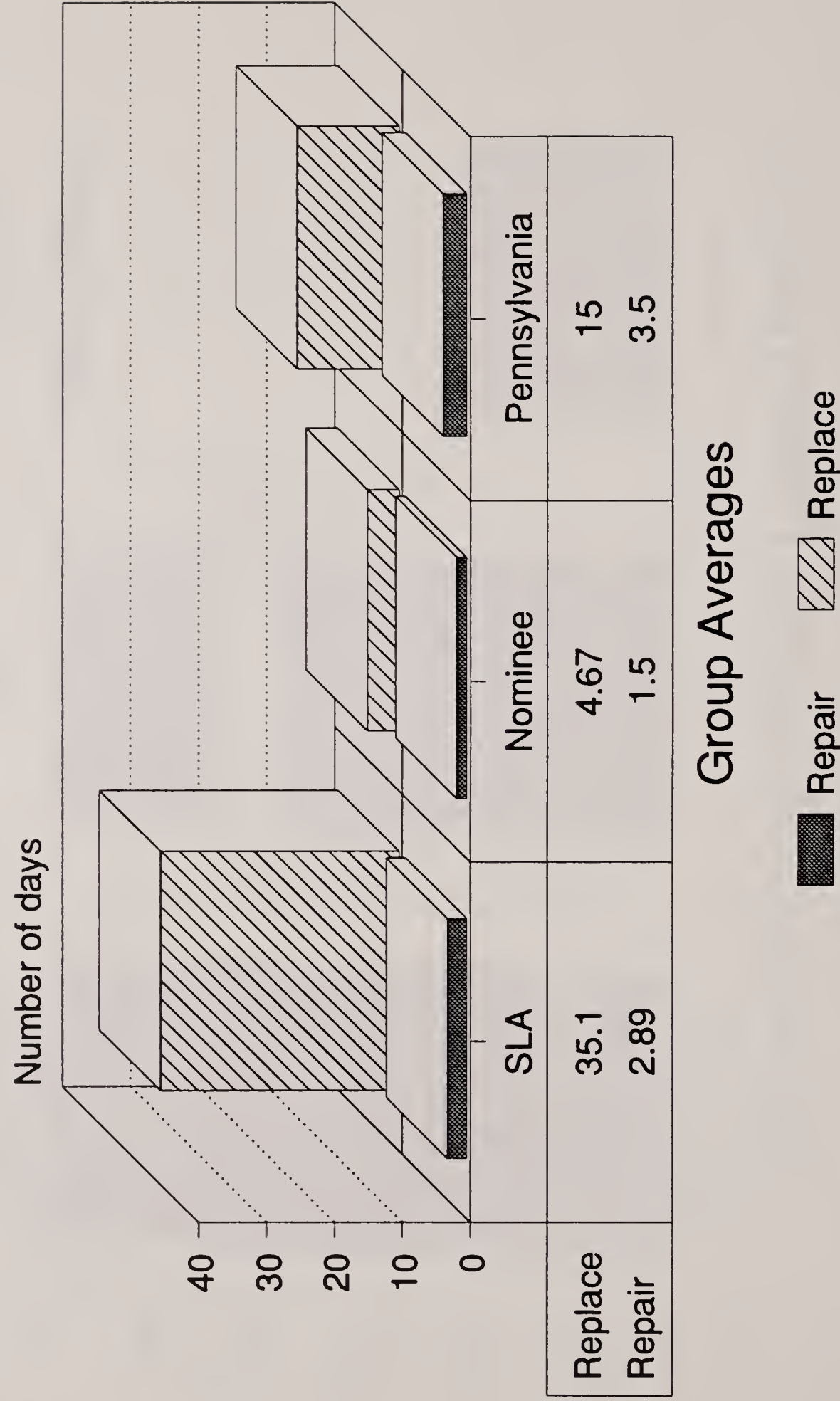
Group Averages

Data Source: Program Eval. Instrument

Figure 3

Days to Repair & Replace

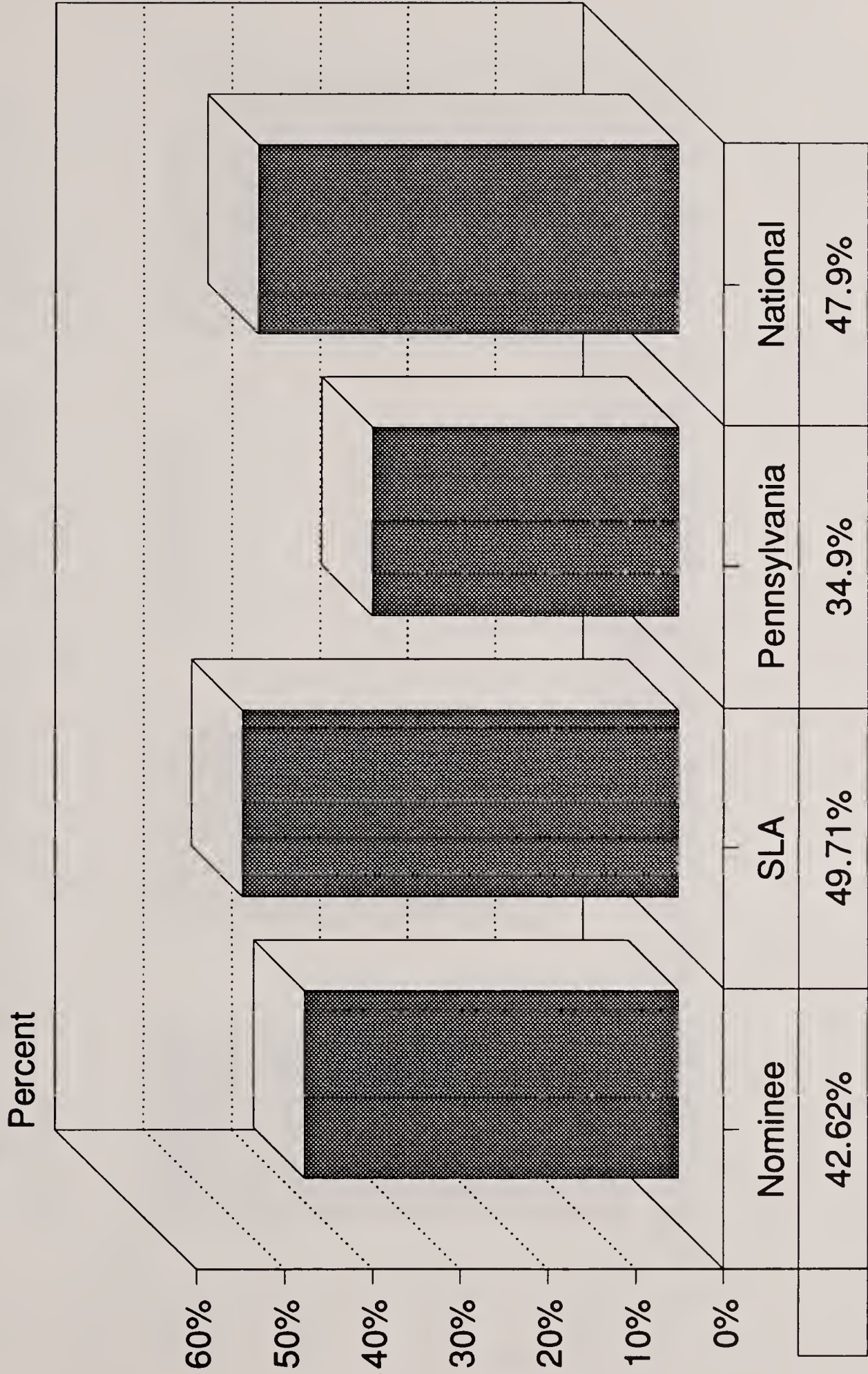
Nominee, SLA, and Pennsylvania



Data Source: Program Eval. Instrument

Figure 4

Vendor Share of Gross Profit

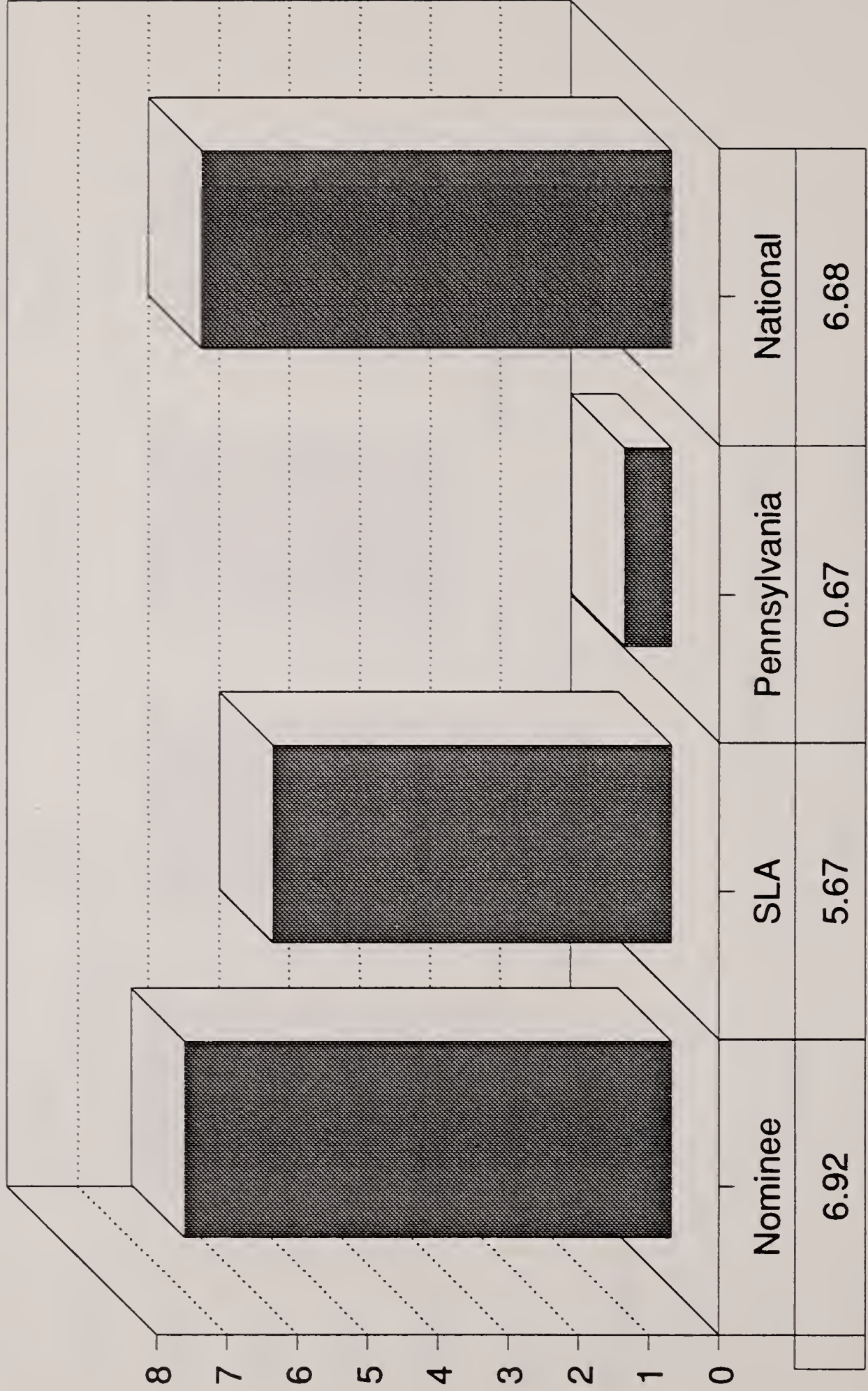


Group Averages

Data Source: RSA-15 (1991-93)

Figure 5

Facility Sites Accepted



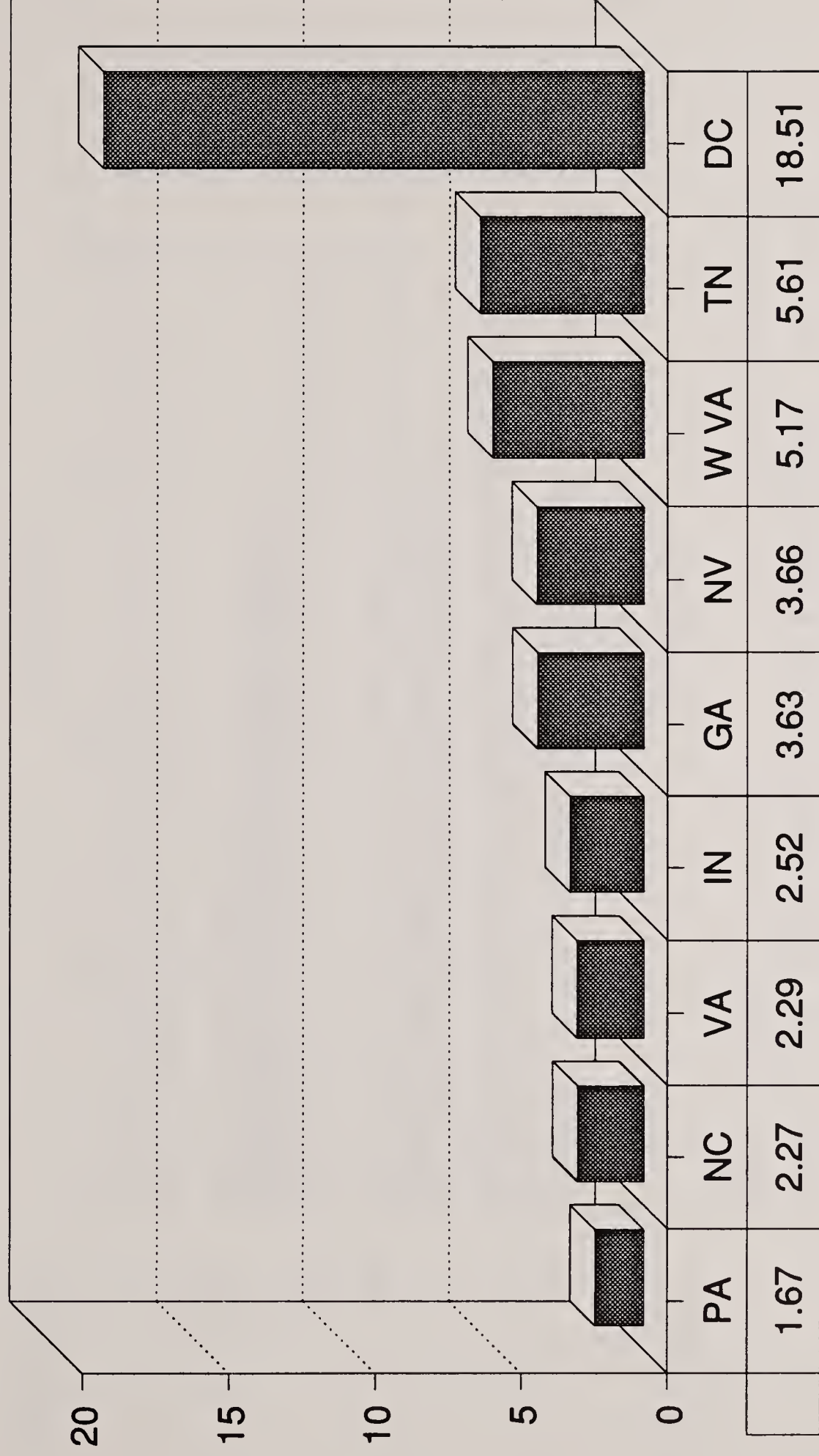
Group Averages

Data Source: RSA-15 (1991-93)

Figure 6

Number of Facilities

Per 1,000 Severely Visually Impaired

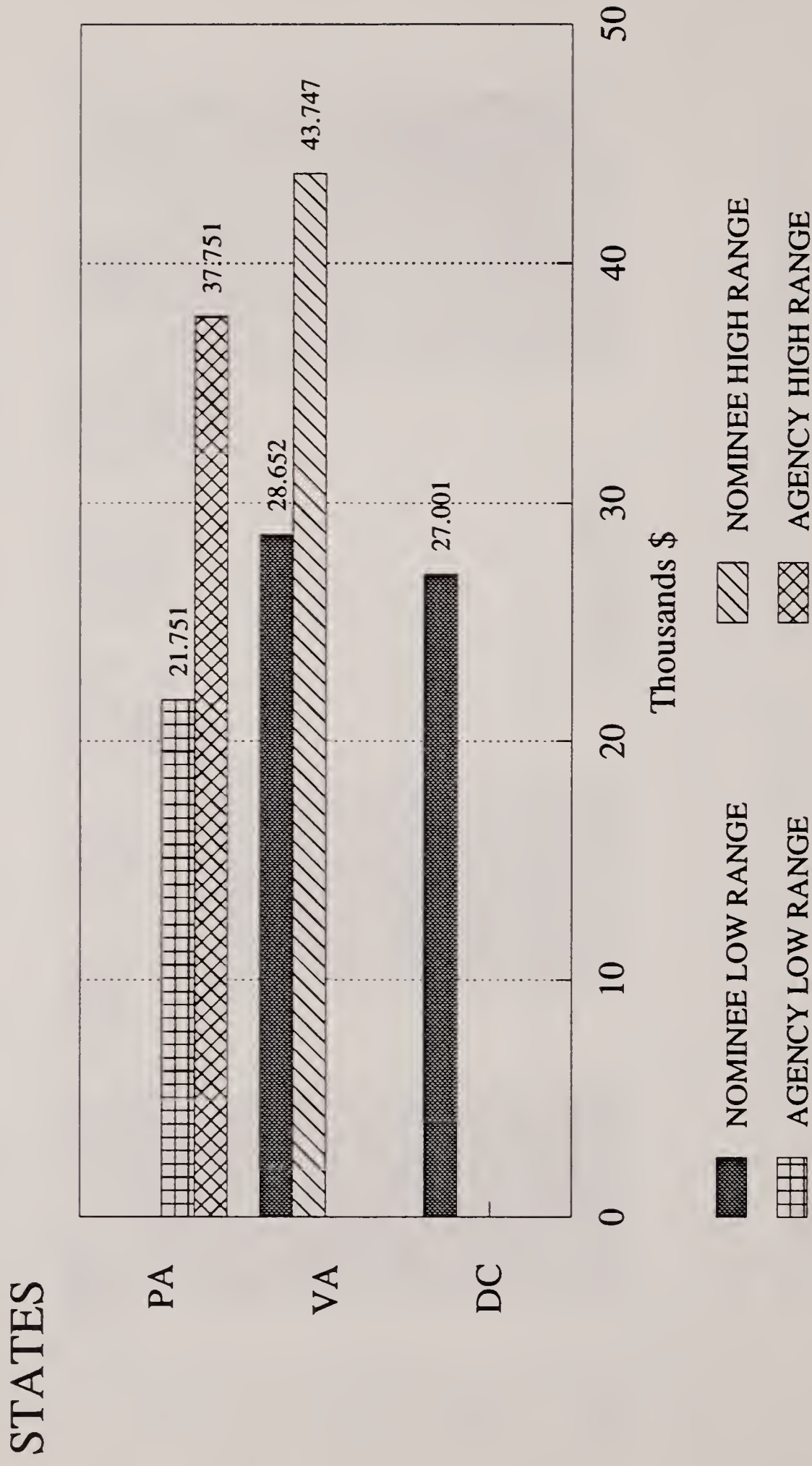


State Averages

Figure 7

Pay Range by State

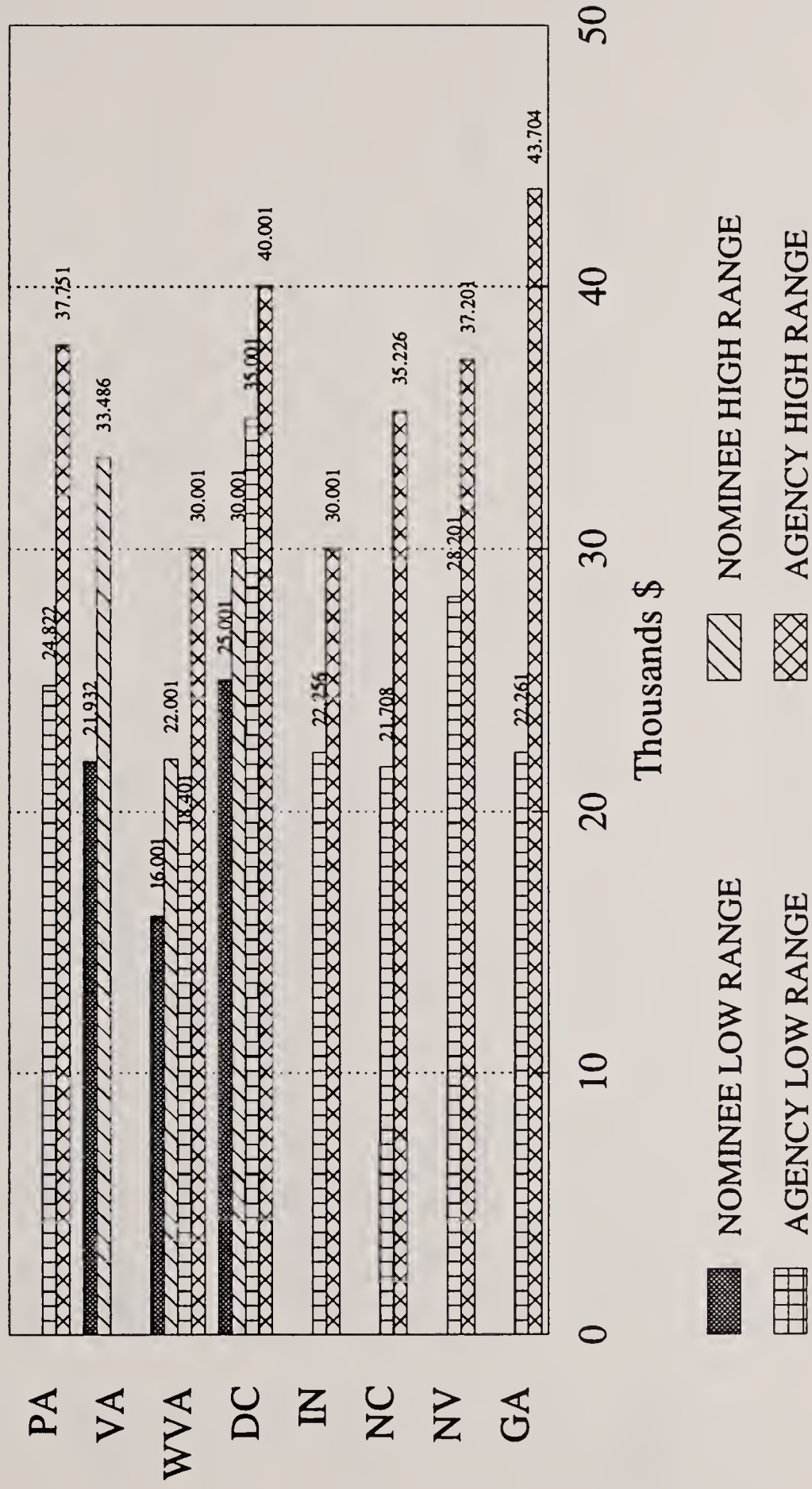
Construction/Design



Pay Range by State

Counselor

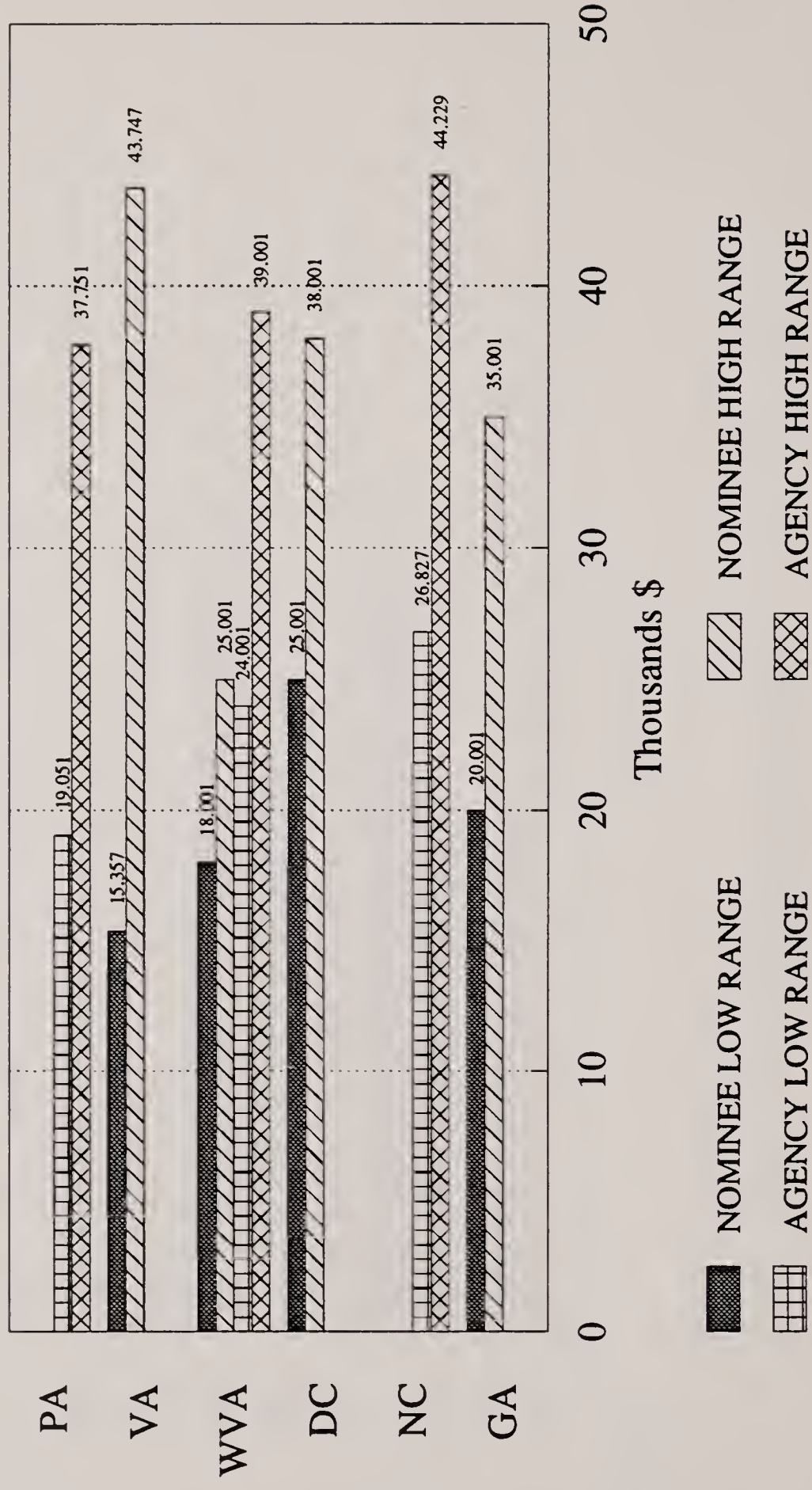
STATES



Pay Range by State

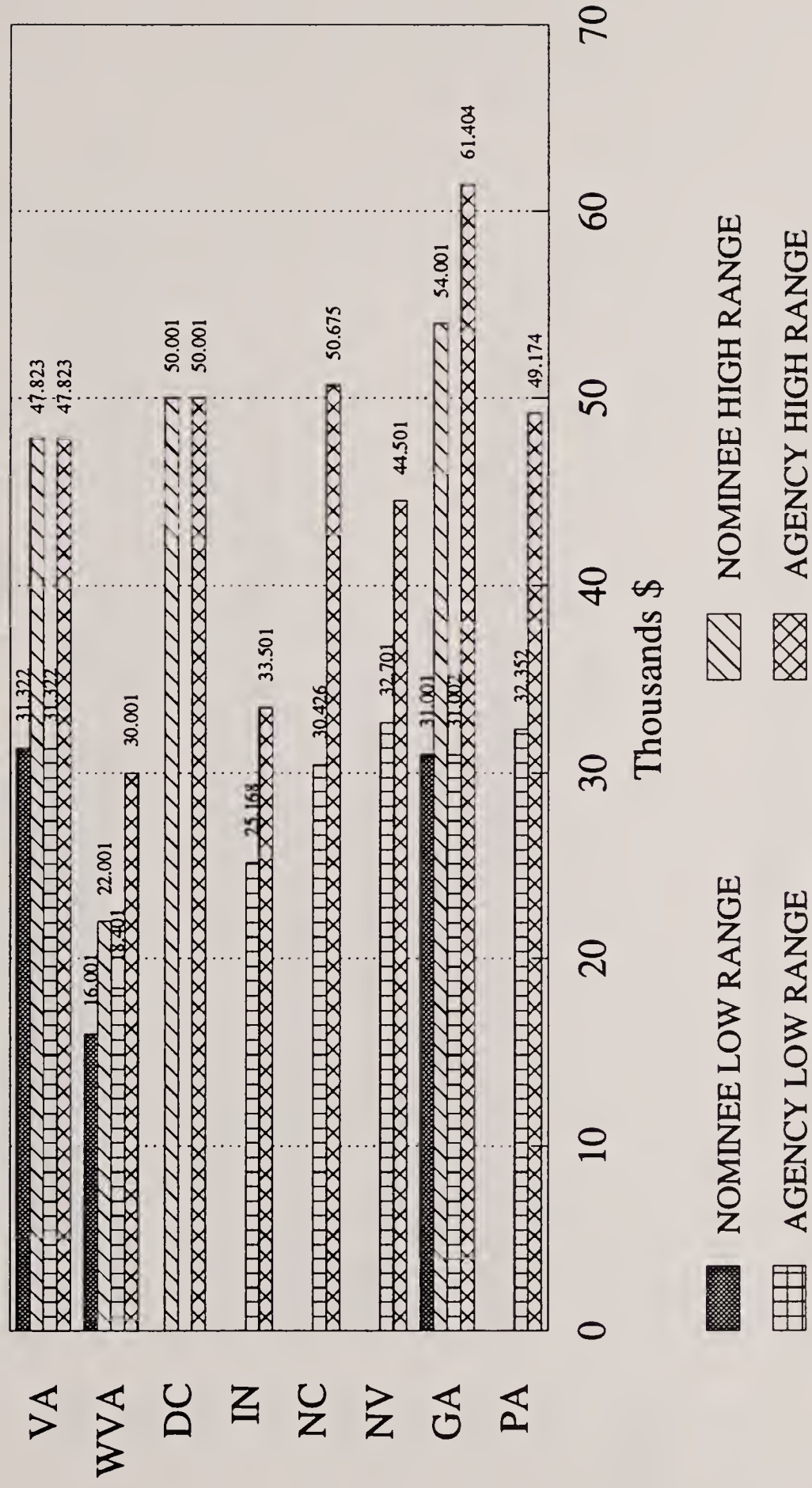
Accountant/Bookkeeper





STATES



Pay Range by State Administrator

STATES

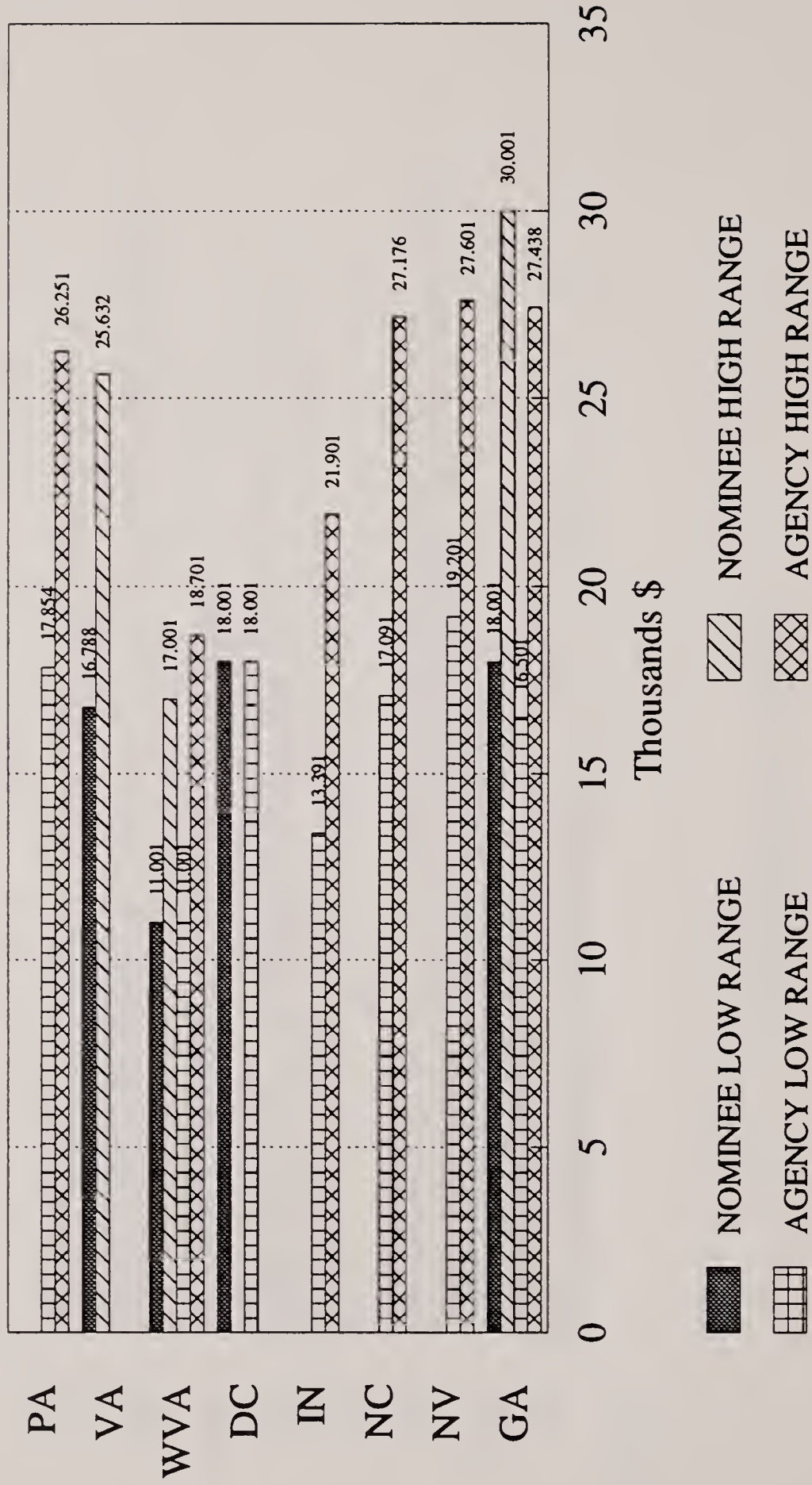


 NOMINEE LOW RANGE
  NOMINEE HIGH RANGE
 AGENCY LOW RANGE
  AGENCY HIGH RANGE

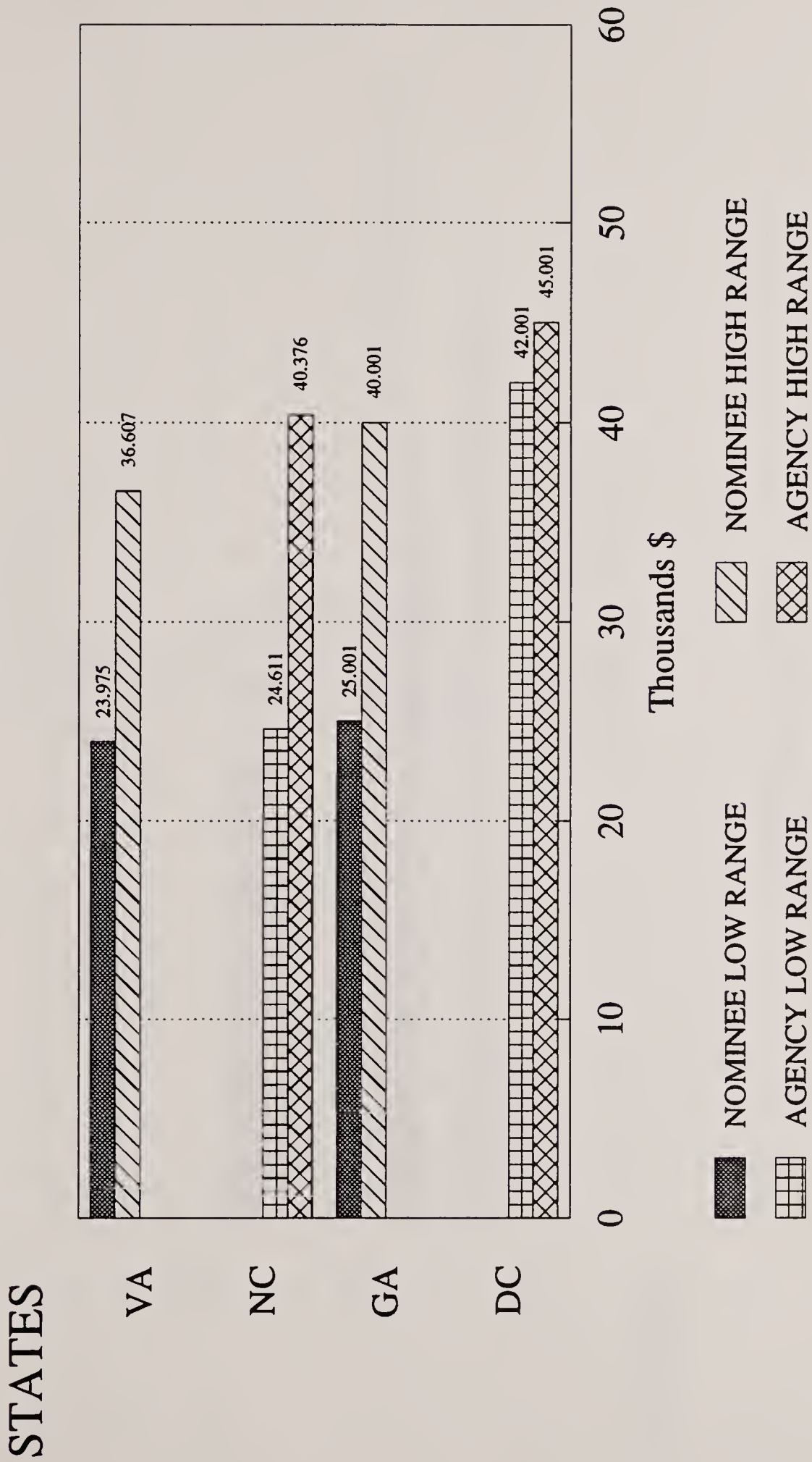
Pay Range by State

Secretarial/Clerical

STATES



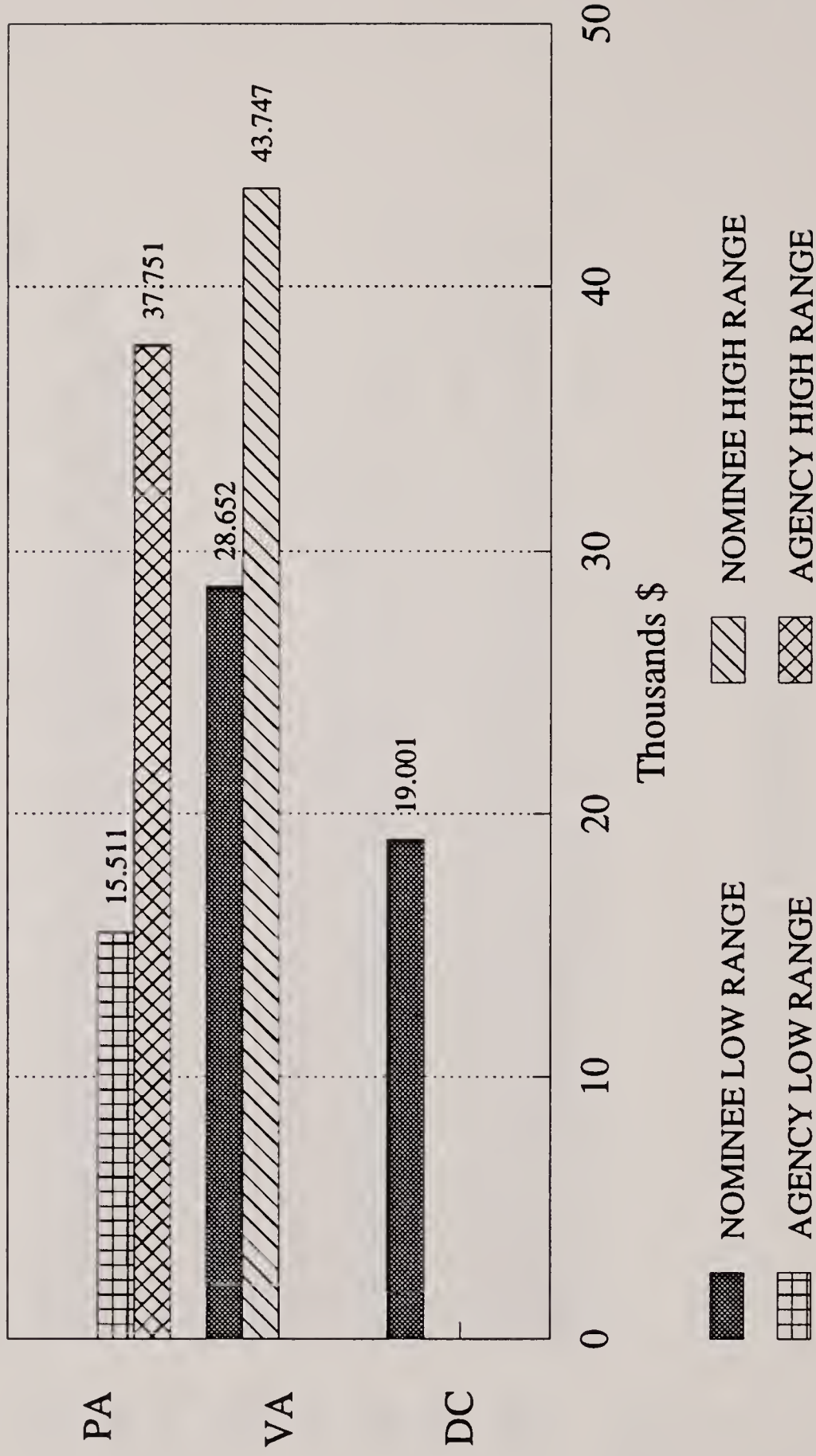
Pay Range by State Trainer



Pay Range by State

Warehouse

STATES



APPENDIX E
Model Nominee Agreement

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
OFFICE OF SOCIAL PROGRAMS
BUREAU OF BLINDNESS AND VISUAL SERVICES
CONTRACT

SECTION I:

CONTRACT BETWEEN:

The Department of Public Welfare, Office of Social Programs, Bureau of Blindness and Visual Services, an agency of the Commonwealth of Pennsylvania legally empowered to contract pursuant to the Official Code of Pennsylvania Annotated, Section _____, and hereinafter referred to as the Department;

AND

INSERT NAME OF NOMINEE

legally empowered to contract pursuant to the Pennsylvania Nonprofit Corporation Code, and hereinafter referred to as the Nominee.

Nothing contained in this contract shall be construed to constitute the Nominee or any of its employees, agents, or subcontractors as a partner, employee, or agent of the Department, nor shall either party to this contract have any authority to bind the other in any respect, it being intended that each shall remain an independent contractor. Contractor agrees to advise any client served under the terms of this contract of the independent status of the Nominee and the Department.

This contract has an effective beginning date of the first day of _____, and shall terminate on the 30th day of _____, unless terminated earlier under other provisions of this contract.

DEPARTMENT AND NOMINEE AGREEMENTS:

WITNESSETH:

WHEREAS the Department has a need for and desires a nominee agency to purchase, repair and replace equipment in the provision of services to blind

licenses under the vending facility program.

WHEREAS, the Nominee has represented to the Department the expertise and the capacity to provide the accounting, purchasing and training services necessary in the establishment and maintenance of vending facilities operated within the Randolph-Sheppard Vending Facility Program in this State.

NOW, THEREFORE, in consideration of the mutual covenants herein set forth, it is agreed by and between the parties hereto as follows:

A. The Nominee agrees:

1. To act as the Nominee Agency for the Department in promoting and carrying out the policies and regulations established by the Department for the administration of the Vending Facility Program in Pennsylvania.
2. To repair, replace, and purchase equipment for the Vending Facility Program as requested by the Department.
3. That it will not exercise any function with respect to funds for the purchase of new equipment and installation cost, initial stock and supplies in the establishment of new facilities, or replacement of equipment in existing facilities except to collect and hold such funds solely for disposition in accordance with the order of the Department for charges authorized for those purposes by the Department.
4. That at least thirty days prior to the commencement of each fiscal year, the Nominee shall submit to the Department, for approval, a proposed budget for services. The basis for remuneration of the Nominee for providing services under this agreement shall be in accordance with the approved budget.
5. To participate in the planning, scheduling and sponsoring of training programs for blind facility managers and vending facility employees in the operation of the Vending Facility Program, as requested by the Department.
6. To abide by the BVS/BEP Vending Facility Program Rules and Regulations, and by signing this agreement, acknowledges prior receipt.
7. That the Department has full responsibility for the

administration and operation of all phases of the Vending Facility Program. The Contractor will provide no services, including disbursement of funds, without prior written approval of the Department.

8. That the Department shall have exclusive control with respect to selection, placement, transfer, financial participation and termination of vendors, and the preservation, utilization and disposition of all program assets.
9. That any right, title, or interest in vending facilities or stock acquired by the Nominee Agency shall be held for program purposes and subject to the paramount right of the Department to direct and control the use, transfer, and disposition of such vending facilities or stock.
10. That the Department shall retain the right, title and interest to all vending facility equipment and initial stock, as well as any equipment purchased and utilized by Nominee Agency. The Department shall have the authority to direct, control, transfer and dispose of such equipment when necessary.
11. That Department personnel will make surveys of potential vending facility locations and make selection of a particular location in accordance with 34 CFR 395.3(a)(3). The Nominee will then disburse funds for acquisition of vending facility equipment and its installation upon advance written approval of the State Licensing Agency.
12. That Department personnel will make surveys of existing vending facilities and make determination when a vending facility will be remodeled. In remodeling existing vending facilities, the Nominee will disburse funds for the acquisition of equipment upon advance written approval of the State Licensing Agency.

AND

B. The Department will:

1. Monitor the quality and quantity of services provided.
2. Provide staff from the Bureau of Blindness

and Visual Services to manage the Vending Facility Program.

3. Provide reimbursement to Nominee on a variable basis on authorized expenditures for the purchase of vending facility equipment and installation costs. Reimbursement will also be made to Contractor of all authorized expenditures made in connection with equipment repairs and replacement for blind facility managers and their employees.
4. Approve any sub-contracts or delegation of the authority connected with this contract.

C. Mailing Addresses:

The mailing addresses, telephone numbers, and contact persons listed below for the Department or the Nominee may be changed during the term of this contract by written notification to the other party by the Department's Bureau of office representatives or by the Nominee.

1. The Department's mailing address and telephone number for correspondence, reports, and other matters relative to this contract, except as otherwise indicated, are:

Bureau of Blindness and Visual Services
Business Enterprise Program
Attn: Ms. Stephanie Parker, Project Officer
P.O. Box 2675
Harrisburg, PA 17105-2675
Telephone number: (717) 787-2145
Fax number: (717) 787-3210

2. The Nominee's mailing address and telephone number for correspondence, reports, and other matters relative to this contract are:

"Insert Name and Address of Nominee"

NONDISCRIMINATION BY CONTRACTORS AND SUBCONTRACTORS:

A. NONDISCRIMINATION IN EMPLOYMENT PRACTICES:

The Nominee agrees to comply with federal and state laws, rules and regulations, and the Department's policy relative to nondiscrimination in employment practice because of political affiliation, religion, race, color, sex, handicap, age, or national origin. Nondiscrimination in employment practices is applicable to employees, applicants for employment, promotions, demotions, dismissal, and other elements affecting employment/employees.

B. NONDISCRIMINATION IN CLIENT/CLIENT SERVICE PRACTICES:

The Nominee agrees to comply with federal and state laws, rules and regulations, and the Department's policy relative to nondiscrimination in client and client service practices because of political affiliation, religion, race, color, sex, handicap, age, or national origin. Neither shall any individual be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination under any program or activity conducted or supported by the Department.

- C. The Nominee further agrees that where the Department is bound to compliance in any matter related to this contract, the Contractor will comply and will take such measures as the Department or the above laws, rules, regulations, and orders indicate as being required to assure compliance.

CONFIDENTIALITY OF INDIVIDUAL INFORMATION:

The Nominee agrees to abide by all state and federal laws, rules and regulations, and the Department of Public Welfare policy on respecting confidentiality of an individual's records. The Nominee further agrees not to divulge any information concerning any individual to any unauthorized person without the written consent of the individual employee, client, or responsible parent or guardian.

CONFLICT OF INTEREST:

The Nominee and the Department certify that the provisions of the Official Code of Pennsylvania Annotated, Section ___ through ___, as amended, which prohibit and regulate certain transactions between certain state officials or employees and the Commonwealth of Pennsylvania, have not been violated and will not be violated in any respect.

CONTRACT MODIFICATION/ALTERATION:

- A. No modification or alteration of this agreement, except for budget revisions between existing line items which have been approved in advance by the Department, will be valid or effective unless such modification is made in writing and signed by both parties and affixed to this contract as an amendment indicating the DPW contract number involved, the original contracting parties and the original effective date of the contract and the paragraph(s) being modified or superseded, except as stated in subparagraph B immediately below.
- B. In the event that either of the sources of reimbursement for these contract services, appropriations from the legislature of the Commonwealth of Pennsylvania, or the Congress of the United States of America are reduced during the term of this Nominee accordingly. Such adjustment(s) may require a contract amendment including, but not limited to, a termination of the contract. The certification by the Commissioner of the state agency (Department) of the occurrence of either of the reductions stated above shall be conclusive.

DEPARTMENT'S RIGHT TO SUSPEND CONTRACT:

The Department reserves the right to suspend the contract/sub-grant in whole or in part under this contract provision if it appears to the Department that the Nominee is failing to substantially comply with the quality of service or the specified completion schedule of its duties required under this contract, and/or to require further proof of reimbursable expenses prior to payment thereof, and/or to require improvement, at the discretion of the Department, in the programmatic performance or service delivery.

TERMINATION:

- A. Due to non-availability of funds. Notwithstanding any other provision of this contract, in the event that either of the source of reimbursement for these contract services, appropriations from the

Legislature of the Commonwealth of Pennsylvania or the Congress of the United States of America, no longer exist or in the event the sum of all obligations of the state agency, i.e., Department of Public Welfare, incurred under this and all other contracts for this program entered into equals or exceeds the balance, as of the effective date hereof, of such contract sources less one hundred dollars (\$100.00), then this contract shall immediately terminate without further obligation of the state agency as of that moment. The certification by the Commissioner of the state agency (Department) of the occurrence of either of the events stated above shall be conclusive.

- B. Due to default or for cause. This contract may be terminated for cause, in whole or in part, at any time by the Department for failure of the Nominee to perform any of the provisions hereof. Should the Department exercise its right to terminate this contract under the provisions of this paragraph, the termination shall be accomplished in writing and specify the reason and termination date. The Nominee will be required to submit the final contract expenditure report not later than forty-five days after the effective date of written notice of termination. Upon termination of this contract, the Nominee shall not incur any new obligations after the effective date of the termination and shall cancel as many outstanding obligations as possible. The above remedies are in addition to any other remedies provided by law or the terms of this contract.
- C. For Convenience. This contract may be cancelled or terminated by either of the parties without cause; however, the parties seeking to terminate or cancel this contract must give written notice of its intention to do so to the other party at least sixty days prior to the effective date of cancellation or termination.

ACCESS TO RECORDS AND INVESTIGATION:

- A. The state and federal government and the Department shall have access to any pertinent books, documents, papers, and records of the Nominee and subcontractor for the purpose of making audit examinations, excerpts, and transcripts. Contractor and subcontractor record retention requirements are five years from submission of final expenditure report.
- B. If any litigation, claim, or audit is started before the expiration of the five-year period, the records shall be retained until all litigations, claims, or audit findings involving the records have been resolved.

- C. The Nominee agrees that the DPW Office of Fraud and Abuse, upon the request of the Commissioner or his designee, has full authority to investigate any allegation of misconduct in performance of duties arising from this contract made against an employee of the Nominee. The Nominee agrees to cooperate fully in such investigations by providing the Office of Fraud and Abuse full access to its records and by allowing its employees to be interviewed during such investigations.

COLLECTION OF AUDIT EXCEPTIONS:

The Nominee agrees that the Department may withhold net payments (voucher deduction) equal to the amount which has been identified by an audit, notwithstanding the fact that such audit exception is made against a prior or current contract or sub-contract. The Nominee may also repay the Department for the total exception by check.

DEPARTMENT APPROVAL OF SUB-CONTRACTS:

Any sub-contracts or delegation of the authority herein will be submitted to the Department for approval prior to execution. The Nominee will be responsible for the performance of any sub-contractor or other duties which are delegated and all provisions of this contract. The Nominee agrees to reimburse the Department for any federal or state audit disallowances arising from the sub-contractor's performance or non-performance of duties under this contract which are delegated to the subcontractor. The Department's division/office directors and their program officers are the Department's approving authority for sub-contracts and delegation of authority.

PUBLICITY:

Any publicity given to the program or services provided herein, including, but not limited to, notices, information pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Nominee, shall not identify the Department as a sponsoring agency without prior approval by the Department's managing programmatic division/office and by the Commissioner's Office of Policy and Government Services. In addition, the Nominee shall not display the Department's name or logo in any manner, including, but not limited to, display on Nominee's letterhead or physical plant, without the prior written authorization of the Commissioner of the Department.

HOLD HARMLESS CLAUSE:

The Department and its employees are to be held harmless for any claim growing out of any action performed by the Nominee, its agents, employees, or any of its subcontractors under any provision of this contract.

CONSULTANT/STUDY CONTRACT:

- A. The Nominee agrees not to release any information, findings, recommendations, or other material developed or utilized during or as a result of this contract until such time as the information has been provided to the Department, appropriately presented to the Board of Public Welfare, and made a matter of public record.
- B. The Nominee further agrees that any research, study, review, or analysis of the clients served under this contract by any outside individual or organization must be reviewed and approved by the Department.

CRIMINAL RECORDS INVESTIGATIONS:

- A. The Nominee agrees that, for the filling of positions or classes of positions having direct care/treatment/custodial responsibilities for services rendered under this contract, applicants selected for such positions shall undergo a criminal record history investigation which shall include a fingerprint record check pursuant to the provisions of Section __ of the Official Code of Pennsylvania Annotated. In order to initiate this requirement, the Department will provide the forms which will include the required data from the applicant. The Nominee agrees to obtain the required information (which will include two proper sets of fingerprints on each applicant) and transmit said fingerprints directly to the Pennsylvania Crime Information Center, together with the fee as required by said center for a determination made pursuant to Section of the Official Code of Pennsylvania Annotated or any other relevant statutes or regulations.
- B. After receiving the information from the Pennsylvania Crime Information Center or any other appropriate source, the Department will review any derogatory information and, if the crime is one which is prohibited by duly published criteria within the Department, the Nominee will be informed, and the individual so identified will not be employed for the purpose of providing services under this contract.
- C. The provisions of this paragraph of the contract shall not apply to

persons employed in day-care centers, group day-care homes, family day-care homes, or child-caring institutions which are required to be licensed or registered by the Department or to personal care homes required to be licensed, permitted, or registered by the Department.

AIDS POLICY:

The Nominee agrees, as a condition to provision of services to the Department's clients, not to discriminate against any client who may have AIDS or be infected with the Human Immunodeficiency Virus (HIV).

The Nominee is encouraged to provide or cause to be provided appropriate AIDS training to its employees and to seek AIDS technical advice and assistance from the appropriate division of office of the Department, as the Nominee deems necessary.

The Nominee further agrees to refer those clients requesting additional AIDS related services or information to the appropriate county health department.

FEDERAL PROHIBITIONS AND REQUIREMENTS RELATED TO LOBBYING:

Pursuant to Section 1352 of Public Law 101-121, the Nominee agrees that:

- A. No federally appropriated funds have been paid or will be paid, by or on behalf of the Nominee, to any person for influencing or attempting to influence an officer or employee of any federal agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- B. As a condition of receipt of any federal contract, grant, loan, or cooperative agreement exceeding \$100,000, the Nominee shall file with the Department a signed "Certification Regarding Lobbying," attached hereto as Appendix ____.
- C. If any funds other than federally appropriated funds that have been paid or will be paid to any person for influencing or attempting to

influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement. The Nominee shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions, copy of which is attached hereto as Appendix ____.

- D. A disclosure form will be filed at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed by Contractor under subparagraphs (B) or (C) of this paragraph. An event that materially affects the accuracy of the information reported includes:
1. A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a federal action; or
 2. A change in the person(s) or individual(s) influencing or attempting to influence a covered federal action; or
 3. A change in the officer(s), or member(s) contacted to influence or attempt to influence or attempt to influence a covered federal action.

Any Nominee employee who makes a prohibited expenditure or who fails to file or amend the disclosure form, as required, shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure.

An imposition of a civil penalty under this section does not prevent the United States from seeking any other remedy that may apply to the same conduct that is the basis for the imposition of such civil penalty.

The Nominee shall require that the prohibitions and requirements of this paragraph be included in the award documents for all sub-awards at all tiers (including sub-contracts, sub-grants, and contracts under grants, loans, and cooperative agreement(s) and that all subrecipients shall certify and disclose accordingly).

DEBARMENT:

In accordance with Executive Order 12549, Debarment and Suspension, and

implemented at 45 CFR Part 76, 100-510, the Nominee certifies by signing Appendix D that neither it nor its principals are presently debarred, suspend, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this contract by any federal department or agency. The Nominee further agrees that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion -- Lower Tier Covered Transaction," without modification, in all lower tier transactions and in all solicitations for lower tier covered transactions.

INTANGIBLE PROPERTY, INVENTIONS, PATENTS, AND COPYRIGHTS:

- A. Inventions and patents. The Nominee agrees if patentable items, patent rights, processes, or inventions are produced in the course of work supported and funded by this contract, to report such facts in writing promptly and fully to the Department. The federal agency and the Department shall determine whether protection of the invention or discovery shall be sought. The federal agency and Department will also determine how the rights to the invention or discovery, including rights under any patent issued thereon, shall be allocated and administered in order to protect the public interest consistent with Government Patent Policy.
- B. Copyrights. Except as otherwise provided in the terms and conditions of this contract, the author or the Department is free to copyright any books, publications, or other copyrightable materials developed in the course of, or under this contract. Should any copyright materials be produced as a result of this contract, the federal agency and the Department shall reserve a royalty-free nonexclusive and irrevocable right to reproduce, modify, publish, or otherwise use and to authorize others to use the work for government and departmental purposes.

PROPERTY MANAGEMENT REQUIREMENTS:

- A. The Nominee agrees to provide systems assistance for detailed property records on all equipment (non-expendable personal property) purchased in total, or in part, with funds received from the Department during the term of this contract and all previous contracts. Non-expendable personal property is defined as "any tangible item that is basically non-expendable in nature with a normal life expectancy of three (3) years or more" to include fixed property added to buildings and land.

Bureau of Blindness and Visual Services (State Licensing Agency) personnel will, using Form _____, attached as Appendix _____.

1. Provide a description of the property;
 2. Provide manufacturer's serial number, model number, national stock number, or other identification number;
 3. Provide acquisition date (or date received, if the property was furnished by the Department) and cost;
 4. Provide location, use, and condition of the property and the date the information was reported;
 5. Provide unit acquisition cost;
 6. Provide a Bureau of Blindness and Visual Services decal number;
 7. Provide ultimate disposition data, including date of disposal, sales price, and method used to determine current fair market value and in accordance with DPW Administrative Policy and Procedures Manual Part ____, Subject: Real and Personal Property Procedures.
 8. Conduct a physical inventory of property and the results will be reconciled with the property records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference.
 9. Maintain a control system to insure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft of non-expendable property shall be investigated and fully documents; the Nominee shall promptly notify the Department.
 10. Provide maintenance procedures to keep the property in good condition.
- B. All equipment purchased with funds budgeted in this contract will be the property of the Commonwealth of Pennsylvania and the Department, and the DPW policies and procedures (DPW Administrative Policy and Procedures Part.) for non-expendable

personal property shall be applicable thereto and which is by reference made a part of this contract.

- C. Upon termination of this contract, the Nominee shall furnish records to aid the Department in accounting for all equipment purchased with contract funds, and the Department and the federal agency shall dispose of such properties in accordance with state and federal regulations. [45 CFR - Parts 74.110 through 74.116 (Subpart M) and 45 CFR - Parts 74.130 through 74.145 (Subpart O).]

SECTION II:

Department Payment To Contractors:

The total approved budget for this contract is \$_____. The Department will make payments to the Nominee based upon reimbursement for expenses incurred which are within the approved budget. Total contract reimbursement for expenses shall not exceed \$_____.

CONTRACT BUDGET ANNEX:

- A. The budget attached to this contract as Appendix ____ is made a part this contract.
- B. The Nominee agrees that the Department will be provided a cost allocation plan as part of the budget should the Nominee provide any service other than those specified in this contract.
- C. Within thirty (30) days from the date of receipt of a request for budget amendment approval, the Department's programmatic division will review the request and notify the Nominee of its decision. If the request for approval is still under consideration at the end of thirty (30) days, the Department's programmatic division will inform the Nominee in writing as to when to expect the decision.

Any fee or program income generated as a result of this contract activity shall be expended in compliance with the reference indicated below by the (X):

- ☐ Deduction Alternative
☐ Cost Sharing or Matching Alternative
☐ Additional Cost Alternative
☐ No Fee or Program Income Authorized

BUDGET VS. EXPENSE LIMITATION:

- A. The budget total may not be exceeded. However, a plus or minus deviation of ten percent within budget line items is authorized.
- B. In the event that expenditures for a line item are expected to exceed these limits, a budget revision must be submitted and approved by the Department in advance. Reimbursement will only be made if the budget revision was filed and approved in writing prior to the expenditure of the funds.

PROGRAMMATIC REPORT:

The Nominee agrees to submit a monthly programmatic/performance statistical report not later than the twentieth working day after the end of each month during the term of this contract. The report form to be used is attached to this contract as Appendix ____.

FIDELITY BONDS:

- A. The person who executes this contract and those having the responsibility for the expenditure of funds made available under this contract shall be required to post a fidelity bond in an amount sufficient to assure sound fiscal practices and in order to assure the federal government and the state against loss of funds coming into their possession under the terms of this contract. Such bond shall be payable to, or shall benefit the Commonwealth of Pennsylvania, Department of Public Welfare. The dollar amount of the fidelity bond shall be determined through use of the DPW Schedule of Fidelity/Assurance Bonds. The actual fidelity bond is attached as Appendix ____.
- B. Fidelity bonds shall be obtained from companies holding certificates of authority as acceptable sureties (31 CFR Part 223). A list of these companies is published annually by the Department of the Treasury in its Circular 570.

SECTION III:

CONTRACTOR COMPLIANCE WITH STATE AND FEDERAL LAWS, RULES REGULATIONS AND STANDARDS:

The Nominee agrees that all work done as part of this contract will comply fully with all administrative and other requirements established by applicable federal and state laws, rules and regulations, and assumes responsibility for full compliance with all such laws, rules and regulations, and agrees to fully reimburse the Department for any loss of funds or resources resulting from non-compliance by the Nominee, its staff, agents, or subcontractor as revealed in any subsequent audits. The Nominee understands that the following items specifically apply to this contract, but not to exclude any other applicable federal or state laws or requirements.

A. 45 CFR Part 74; as used in this contract, the word Nominee is synonymous with the word Subgrantee as used in the Code of Federal Regulations.

B. Advance federal agency approval of cost:

It is agreed that it shall be the responsibility of the Nominee to request in writing, from the Department, approval of expenditures which require advance federal agency approval. It shall be the responsibility of the Department to acquire written federal agency approval of these requests for advance approval received from the Nominee and to notify the Nominee in writing of the approval. Expenditures requiring advance federal agency approval may not be made by the Nominee prior to receipt of Departmental written notification that federal agency approval has been granted. Department contract budget approval does not constitute previous federal agency and/or Department approval of costs requiring advance federal/state agency approval.

C. The federal cost principles for determining allowable costs for this contract are OMB Circular A-122 for contracts with nonprofit organizations.

D. If travel is a budget line item, reimbursement to the Nominee from funds provided under this contract shall not exceed the rates established in the Statewide Travel Regulations.

E. Fair Labor Standards Act of 1938, as amended.

AUDITS:

If the Nominee receives a total of \$25,000.00 in any fiscal year from all state agencies combined, Nominee agrees to have an independent auditor conduct an annual organization-wide financial and compliance audit in order for the Department to comply with the Single Audit Act of 1984 (PL 98-502). The audit will be conducted in accordance with.

1. The Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, issued by the United States Comptroller General.

If the Nominee receives less than \$25,000.00 in any fiscal year from all state agencies combined, Nominee agrees to submit annually an unaudited balance sheet, a statement of revenues and expenditures, a listing of each employee's salary and reimbursable travel expenses paid during the fiscal year just ended, and a summary statement for each contracted program showing at minimum the services delivered and the number of people served.

The Nominee further agrees to send two copies of the independent auditor's report or required unaudited financial statements to the Director, DPW Office of Audits, one copy to the Legislative Budget Office within 120 days following the close of the Nominee's fiscal year. Mailing addresses are listed below:

1. _____ 2. _____

3. _____ 4. _____

The Nominee understands that failure to comply with the above audit requirements could be cause for terminating this contract and/or requiring a refund to DPW of all monies received under this contract.

SECTION IV:

CONTRACT APPENDICES:

This contract includes Appendices as listed below, which are hereto attached:

LIST ATTACHMENTS

HV1711 M781 C314
Moore; Cavanaugh; Giesen; Maxson
AN ASSESSMENT OF THE
FEASIBILITY OF CONTRACTING
WITH A NOMINEE AGENCY FOR THE
PA RIIS ENTERPRISES PROGRAM

DATE DUE

AMERICAN FOUNDATION FOR THE BLIND, INC
11 PENN PLAZA - STE. 300
NEW YORK, N Y 10001

DEMCO

